



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

Council Offices  
Garshake Road  
Dumbarton  
G82 3PU

11 November 2014

Dear Sir/Madam

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

You are requested to attend a meeting of the above Board to be held in **Victoria Halls, Sinclair Street, Helensburgh G84 8TU** on **Friday, 21 November 2014** at **11.00 a.m.**

The business is as shown on the attached agenda.

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

I shall be obliged if you will advise Nuala Quinn-Ross (Tel. 01389 737210 email [nuala.quinn-ross@west-dunbarton.gov.uk](mailto:nuala.quinn-ross@west-dunbarton.gov.uk)) if you are unable to attend the meeting.

Yours faithfully

**PETER HESSETT**

Clerk to the Valuation Joint Board

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

**FRIDAY, 21 NOVEMBER 2014**

**AGENDA**

**1. APOLOGIES**

**2. DECLARATIONS OF INTEREST**

**3. PRESENTATION – INDIVIDUAL ELECTORAL REGISTRATION**

A presentation will be given by the Assessor & Electoral Registration Officer on Individual Electoral Registration.

**4. MINUTES OF PREVIOUS MEETINGS**

- (a) Minutes of Valuation Joint Board held on 20 June 2014; and
- (b) Minutes of Valuation Joint Board Finance Sub-Committee held on 24 September 2014.

**5. ELECTORAL REGISTRATION PROGRESS**

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

**6. NON-DOMESTIC RATING AND COUNCIL TAX VALUATION PROGRESS**

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

**7. PERSONNEL POLICY – RIGHT TO REQUEST FLEXIBLE WORKING**

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

**8. PUBLIC SECTOR EQUALITY DUTY – IMPROVING EQUALITY OUTCOMES PROJECT**

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

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

Submit report by the Treasurer to the Valuation Joint Board seeking approval of a new 'Strategy for the Prevention and Detection of Fraud and Corruption' for implementation within the Valuation Joint Board.

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

Submit report 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.

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

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

**12. REVENUE & CAPITAL BUDGETARY CONTROL REPORT TO 30 SEPTEMBER 2014**

Submit report 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.

**13. REVENUE ESTIMATES 2015/2016**

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

**14. CAPITAL ESTIMATES 2015/16**

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

## **15. DATE OF FUTURE MEETING**

It is suggested that the next meeting of the Valuation Joint Board be held in Council Chambers, Southbank Marina, Kirkintilloch on Friday, 12 June 2015 at 11.00 a.m.

For information on the above agenda please contact Nuala Quinn-Ross, Committee Officer, Legal, Democratic & Regulatory Services, Council Offices, Garshake Road, Dumbarton, G82 3PU Tel: (01389) 737210 e-mail: [nuala.quinn-ross@west-dunbarton.gov.uk](mailto:nuala.quinn-ross@west-dunbarton.gov.uk)

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

At a Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board held in the Committee Room 3, Garshake Road, Dumbarton on Friday, 20 June 2014 at 11.00 a.m.

**Present:** Councillors Donald MacMillan, John McAlpine and Richard Trail, Argyll & Bute Council; Councillors Manjinder Shergill\*, John Jamieson, Jim Gibbons and Vaughan Moody, East Dunbartonshire Council; and Councillors Jim Brown, Tommy Rainey\* 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; Gillian McNeilly, Finance Manager; Joanne Thomson, Finance Officer; Barry McEwan, Divisional Assessor and Nuala Quinn-Ross, Committee Officer.

**Also**

**Attending:** Laurence Slavin, Senior Auditor and Ian Docherty, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillors John Semple, Argyll & Bute Council; Jonathan McColl and Lawrence O'Neill, West Dunbartonshire Council.

**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.

### **MINUTES OF PREVIOUS MEETING**

The Minutes of Valuation Joint Board held on 22 November 2013 were submitted and approved as a correct record.

## **MEMBERSHIP CHANGE**

The Joint Board noted and welcomed Councillor Donald MacMillan who has been appointed to represent Argyll & Bute Council on the Dunbartonshire and Argyll & Bute Valuation Joint Board following the resignation of Councillor Fred Hall.

The Chair, Councillor Brown, on behalf of the Board expressed his thanks to former Councillor Fred Hal, for his time and contribution to the Board. The Board agreed that thanks and best wishes for the future be intimated to former Councillor Hall.

It was noted that following Councillor Hall's resignation there was now Argyll & Bute Council vacancies on the Recruitment and Property Sub-Committees.

Following discussion the Board agreed that Councillor Richard Trail, Argyll & Bute Council be appointed to both the Recruitment and Property Sub-Committees as the Argyll & Bute representative.

Note:- Councillors Rainey and Shergill entered the meeting during consideration of this item.

## **ELECTORAL REGISTRATION**

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

- (a) that the Board's thanks be conveyed to all staff involved in the preparations for the recent European Parliamentary election; and
- (b) otherwise, 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 providing an update of the progress in relation to the Assessor's Non-Domestic Rating Valuation and Council Tax Valuation functions.

After discussion and 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 progress made in relation to the disposal of 2010 Revaluation appeals;
- (2) to note the progress made in relation to the disposal of running roll appeals;

- (3) to note the progress made in relation to maintenance of the Valuation Roll and the Council Tax Valuation Lists; and
- (4) to note that the review of Council Tax bands in Bishopbriggs was completed by the target date.

### **BEST VALUE – SERVICE PLANNING**

A report was submitted by the Assessor & Electoral Registration Officer seeking approval of the Service Plan for 2014-17 and the Annual Service Calendar for 2014/15, as detailed within the appendices to the report.

After discussion and having heard the Assessor & Electoral Registration Officer in further explanation of the report and in answer to Members' questions, the Joint Board agreed to approve the Service Plan for 2014 - 2017 and the Annual Service Calendar for 2014/15.

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

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

A report was submitted by the Assessor & Electoral Registration Officer:-

- (a) providing an update on progress in relation to Best Value, including the external performance reports for the year 2013/14; and
- (b) seeking approval of the Valuation Key Performance Indicator targets for 2014/15, as detailed within the report.

The Joint Board agreed:-

- (1) to note the performance in relation to the Valuation Roll and Council Tax List Key Performance Indicators for 2013/14;
- (2) to approve Key Performance Indicator targets for 2014/15;
- (3) to note the performance in relation to the annual electoral canvass; and
- (4) to note the Electoral Commission's satisfaction with the engagement planning in respect of Individual Electoral Registration.

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

A report was submitted by the Assessor & Electoral Registration Officer:-

- (a) advising on the results from the Customer Consultation process during 2013/14; and
- (b) advising on the results of the first year of operation of the new Complaints Procedure.

After discussion and 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 positive results from the Customer Satisfaction Survey; and
- (2) to note the implementation of, and results arising from the new Complaints Procedure.

### **BEST VALUE – RISK MANAGEMENT UPDATE**

A report was submitted by the Assessor & Electoral Registration Officer seeking approval of the Risk Register and Action Plan, as detailed within the appendices to the report.

After discussion and having heard the Assessor & Electoral Registration Officer and the Senior Auditor in further explanation of the report and in answer to Members' questions, the Joint Board agreed to approve the Risk Register and Action Plan for 2014.

### **BEST VALUE – AUDIT UPDATE**

A report was submitted by the Assessor & Electoral Registration Officer:-

- (a) advising of the Report of the Internal Audit Electoral Registration systems completed during 2013/14;
- (b) seeking approval of the Audit Plan, as detailed within the report; and
- (c) advising of an Audit Plan which was completed during 2013/14.

After discussion and 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 contents of the Internal Audit of Electoral systems and approve the Action plan thereto; and
- (2) to note the content of the 2013/24 External Audit Plan and the actions already taken to mitigate the risks.



## **POLICY & PROCEDURE ON INDIVIDUAL PERFORMANCE MANAGEMENT FOR SENIOR OFFICERS**

A report was submitted by the Assessor & Electoral Registration Officer seeking approval of a Policy & Procedure on Individual Performance Management for Senior Officers and the establishment of a Performance Management Committee, to carry out the Performance Management Review of the Assessor and ERO, as detailed within the appendix to the report.

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

- (1) the implementation of a Policy & Procedure on Individual Performance Management for Senior Officers; and
- (2) that a Performance Management Committee be established, consisting of the Board Convenor and Vice Convenor, to carry out the Performance Management Review of the Assessor & Electoral Registration Officer.

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

A report was submitted by the Treasurer to the Valuation Joint Board advising of the draft Annual Report and Financial Statements for the year ending 31 March 2014.

After discussion and having heard the Assessor & Electoral Registration Officer and Finance Manager in further explanation of the report and in answer to Members' questions, the Joint Board agreed to note the financial statements for the year to 31 March 2014.

## **DATES OF FUTURE MEETINGS**

The following dates, times and venues were agreed by the Joint Board for future meetings:-

Finance Sub-Committee	Wednesday, 24 September 2014 at 11.00 a.m. in Committee Room 3, Council Offices, Garshake Road, Dumbarton.
Valuation Joint Board	Friday, 21 November 2014 at 11.00 a.m. in Victoria Halls, Helensburgh

## **ANY OTHER COMPETENT BUSINESS**

Board Members' expressed an interest in obtaining further details on the operations of the Valuation Joint Board perhaps through training/development session.

The Assessor & Electoral Registration Officer advised that could be considered as programme of officer presentations on operational matters at future Board meetings and would be considered further at the next meeting of the Joint Board.

The meeting closed at 11.55 a.m.

DRAFT

## **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD FINANCE SUB-COMMITTEE**

At a Meeting of the Dunbartonshire and Argyll & Bute Valuation Joint Board Finance Sub-Committee held in Committee Room 2, Garshake Road, Dumbarton on Wednesday, 24 September 2014 at 11.00 a.m.

**Present:** Councillor Vaughan Moody, East Dunbartonshire Council and Councillor Jim Brown, West Dunbartonshire Council.

**Attending:** David Thomson, Assessor & Electoral Registration Officer; Stephen West, Treasurer; Gillian McNeilly, Finance Manager; Joanne Thomson, Finance Officer and Craig Stewart, Committee Officer.

**Also**

**Attending:** Ms Elaine Boyd, Senior Audit Manager, and Mr Laurence Slavin, Senior Auditor, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillor Gordon Blair (Argyll & Bute Council) and Robert Nicol, Depute Assessor & Electoral Registration Officer

**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.

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

A report was submitted by the Treasurer to the Valuation Joint Board presenting a post-audit annual report and financial statements for the year ending 31 March 2014.

Having heard the Finance Manager in further explanation of the report, the Sub-Committee agreed the post-audit annual report and final accounts for the year ending 31 March 2014 and that the fully audited report and accounts would be reported to the full Board at a later date.

## **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.

Having heard Ms Elaine Boyd, Senior Audit Manager in further explanation of the report, the Sub-Committee agreed:-

- (1) that it was anticipated that an unqualified auditor's report would be presented;
- (2) to note the contents of the Action Plan contained within the Auditor's Report;  
and
- (3) to convey its thanks and appreciation to the External Auditors, Audit Scotland, and Finance staff for their work and effort on the audit of final accounts.

The meeting closed at 11.10 a.m.

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

## **Report by Assessor & Electoral Registration Officer**

**Valuation Joint Board – 21 November 2014**

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**Subject: Electoral Registration Progress**

### **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 20<sup>th</sup> June 2014 referred to the monthly register updates, Individual Electoral Registration (IER) and the preparation for the 2014/15 Canvass, Electoral Registration Performance Standards, the Fifth Review Of Local Government Electoral Arrangements, the European Parliamentary Elections, the Oban South and the Isles and Oban North and Lorn by-elections, the Tiree Community Council by-election, Loch Lomond and The Trossachs National Park Election and the Scottish Independence Referendum.

### **3.0 Current Position**

#### **3.1 Register Updates/Rolling Registration**

The revised Register came into force on 10<sup>th</sup> March 2014. The published Register has been updated on a monthly basis to reflect changes in electors' circumstances as they occur. Between 1<sup>st</sup> April and 1<sup>st</sup> October 2014 there were 13,878 additions to and 7,946 deletions from the register. The bulk of the additions to the register took place during a six week period over August and September in the lead up to the Scottish Independence Referendum, when 9,672 electors were added (68.7% of the total additions). The extra workload arising from the referendum preparations resulted in a budget overspend of approx. £30,000 (printing, stationery, postage and overtime).

Since the revised Register was published on 10<sup>th</sup> March, we have issued 21,378 individual voter registration forms as part of our duty to identify potential new electors by using other information sources. We have processed 5,163 additions and 2,112 deletions as a result of this initiative. The direct cost of this activity in outward postage was £3,739 and return postage cost £1,106.

- 3.2 Where the ERO believes that a person is not entitled to be registered he must carry out a 'Review' which can lead to the elector being removed from the register. As at 1st October 2014, 2,001 Reviews have been completed and 1,948 electors have been deleted.

### 3.3 The 2014/15 Individual Electoral Registration (IER) Transitional Write-out

#### 3.3.1 IER commenced on 19 September 2014, with all new applicants having to provide their National Insurance Number and Date of Birth to support a applications made from that date.

For existing electors, a two-stage 'transition' to the new register is currently ongoing.

The first stage of the transition was to verify the identities of existing electors against records held by the Department of Work and Pensions (DWP). All electors registered as at 1<sup>st</sup> October 2014 had their names and addresses checked against DWP records so that they could be confirmed under IER. The majority of electors on the register were confirmed and were automatically transferred to the "IER Register" without having to do anything. The results of our Confirmation Live Run (CLR) are as follows:

<b><u>Match to DWP</u></b>	<b><u>GREEN</u></b>	<b><u>AMBER</u></b>	<b><u>RED</u></b>
Argyll & Bute	67.93%	11.62%	20.45%
East Dunbartonshire	77.95	5.08%	16.97%
West Dunbartonshire	72.13%	8.41%	19.46%

We then had the option of conducting local data matching (LDM). This allowed us to confirm additional electors using local sources of data such as council tax or housing benefit data. We ran a matching exercise against council tax data. This increased the positive results as follows:-

<b><u>Match after LDM</u></b>	<b><u>GREEN</u></b>	<b><u>AMBER</u></b>	<b><u>RED</u></b>
Argyll & Bute	84.36%	0.06%	15.58%
East Dunbartonshire	88.62%	0.05%	11.33%
West Dunbartonshire	88.40%	0.07%	11.53%

The second stage of the transition is a 'write-out' to all electors, which commenced on 23<sup>rd</sup> October:

- Confirmation letters (CLs) were sent to electors whose details had been matched with records held by the DWP or through local data matching;
- An Invitation To Register (ITR) was issued to each elector who had not been matched;
- Household Enquiry Forms (HEFs) were sent to all properties where no electors are currently registered or where potential electors may be resident.

Subsequent to the issue of HEFs, as above, ITRs then need to be sent to each individual identified on returned forms as a potential new elector.

Canvassers will be employed from Monday 12<sup>th</sup> January to make house-to-house enquiries where the forms have not been returned after the 1st

reminder stage. Canvassers will deliver the 2<sup>nd</sup> reminder and, where possible, collect completed forms.

To advise electors and increase their awareness of the changes to the voter registration system, adverts have been placed in local newspapers, local notices have been posted in public places, our web site has been updated and radio adverts have been arranged in joint working with other EROs.

- 3.3.2 Tender bids for the printing and postage of the above forms were requested in June and the contract was awarded to Document Outsourcing Limited (DOL).
- 3.3.3 We were unable to offer personalised telephone, text messaging and internet registration for “no changes” to households this year due to the nature of the write out. Citizens can however now register online. We expect to offer online facilities again next year for “no changes” and we are investigating options with companies offering change mechanisms for the HEF.
- 3.3.4 The CLs advise electors whether they have “Opted In” or “Opted Out” of the open (also known as the ‘edited’) register. At the time of issuing the CLs only 13.41% of our electorate had “Opted Out” of the open register. The majority of calls and emails to our office since the write-out commenced have been in connection with requests for Opting Out of the open register. Over 3 working days (24<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup> October) we processed the following:

	<b>Phone Calls</b>	<b>E-mails</b>	<b>Opt Out Requests</b>
Argyll & Bute	741	331	865
East Dunbartonshire	990	764	1173
West Dunbartonshire	825	359	875
	<u>2556</u>	<u>1454</u>	<u>2913</u>

We have set up an interactive form on our website to allow notification of any change in opt-out status by e-mail. Alternatively, the form can be printed off and posted to us and we are also effecting changes via telephone.

- 3.3.5 Training has been provided over a number of months to all staff in preparation for the changeover to IER. With the type, intensity and scheduling of training being tailored for their role. Training was split into two main streams, a general over view of IER, the processes and legislation involved and secondly training in using the new Electoral Management System (EMS). Much of the initial training was provided by the Cabinet Office and our EMS supplier to key senior members of staff who then devised training plans and cascaded the training to relevant members of staff. As the IER process and the EMS system develop we will continue to assess and respond to the training needs of our staff.
- 3.3.6 The timetable for the transitional 2014/15 canvass means that the revised register will be published on 27<sup>th</sup> February 2015, which is much closer to the scheduled UK Parliamentary Election in May 2015 than in a usual year. The ERO will, however, ensure the timely supply of the revised register to those entitled to receive it following publication in February.

#### **4.0 Scottish Independence Referendum – 18<sup>th</sup> September 2014**

The workload involved in preparing registers for the Scottish Independence Referendum presented immense, and unprecedented, challenges to our staff (see 3.1 above) and the event was subject to intense 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 were 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. Specific thanks have been made to all of the staff involved.

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

The Local Government Boundary Commission completed their public consultation on councillor numbers on 21<sup>st</sup> August 2014. They expect to consult with councils on their proposals for ward boundaries early in 2015, and will consult with the public on their proposals for ward boundaries later in 2015.

#### **6.0 Argyll and Bute Council By-Elections**

- 6.1 John MacGregor was elected as Oban North and Lorn councillor on 17<sup>th</sup> July but sadly passed away suddenly on 29<sup>th</sup> July.

A further by-election took place on 23<sup>rd</sup> October and Iain S MacLean (SNP) was elected.

- 6.2 There will be a further by-election in the South Kintyre ward on 11<sup>th</sup> December, following the resignation of Councilor John Semple (SNP).

- 6.3 By-Elections are also being held to fill vacancies on Community Councils in Oban and Bute. Nominations closed on Monday 27<sup>th</sup> October. Voting will be by post, with voting papers issued from Thursday Monday 10<sup>th</sup> November. Election day, and the final day for returning postal votes, is Thursday 27<sup>th</sup> November.

#### **7.0 Recommendation**

Members are asked to note the content of this report.

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Person to contact:

June Nelson-Hamilton (Principal Administration Officer)

Tel: 0141 562 1262

E-Mail: [june.nelson@wdc.gcsx.gov.uk](mailto:june.nelson@wdc.gcsx.gov.uk)



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

## **Report by Assessor & Electoral Registration Officer**

**Valuation Joint Board – 21 November 2014**

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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.

#### **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 3.1.5 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.
- 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.

#### **3.0 Current Position**

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

###### **3.1.1 Revaluation 2010**

At 30<sup>th</sup> September 2014, 45 Revaluation appeals remained outstanding all of which have been referred to the Lands Tribunal. Of the Revaluation appeals disposed of to date 71% have been withdrawn and 29% resulted in adjustments being made to the rateable value.

### 3.1.2 Revaluation 2005

The majority of the outstanding appeals relate to entries for Mobile Telecommunication Networks. During 2012/13 the Lands Tribunal had heard 'sample' or 'lead' cases in respect of Mobile Telecommunications subjects with the decision going against the Assessors' approach in all respects. That decision was appealed to the Lands Valuation Appeal Court and the case was heard in March 2014 with the decision going in favour of the ratepayers. This has allowed the settlement of 15 appeals with an effective date of 1<sup>st</sup> April 2005. Running roll appeals (i.e. appeals with later effective dates) are currently under discussion and it is to be hoped that these can be settled by the end of the Calendar year. A further, smaller, group of appeals relate to Canals and they are likely to be progressed following a recent decision in England. Progress in relation to the remaining appeal for a gas utility subject is dependent upon outcomes in England and Wales.

### 3.1.3 'Running Roll' Appeals

In addition to the Revaluation appeals referred to above, a total of 4,780 appeals have been submitted since the valuation roll was made up, the majority of which refer to the changing economic situation.

Progress in the disposal of this category of appeals has been good, however, with 158 outstanding at 30<sup>th</sup> September.

### 3.1.4 Maintenance of the Valuation Roll

In the 6 months from April 2013 to September 2014, 470 changes were made to the Valuation Roll to reflect new, deleted and amended properties.

### 3.1.5 2017 Revaluation

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. 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 its first planning meeting. A planning timetable is currently in draft and will be formalised in the coming weeks.

### 3.2 Council Tax Valuation

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

In the 6 months from April 2014 to September 2014, 600 new dwellings were added to the Council Tax Lists for the area and 447 were deleted.

#### 3.2.2 Council Tax Proposals and Appeals

155 proposals and appeals were outstanding at the start of 2014/15 and 142 were submitted during the period from April to September. In the same period, 162 were disposed of, leaving 135 outstanding.

Members will be aware of the issue in Bishopbriggs where a number of semi-detached dwellings had their bandings reviewed. As previously reported, the bulk of this review is now complete though appeals generated as a result of publicity continue to be both received and dealt with. An appeal for a slightly larger semi-detached house type than those that were amended was successfully defended before VAC in September 2014.

### 4.0 **Recommendations**

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

- (a) progress in relation to the disposal of 2005 and 2010 cycle Non-Domestic Rates appeals,
- (b) that planning 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 the review of certain properties in the Bishopbriggs area is drawing to a close.

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#### Person to contact:

David Thomson (Assessor and ERO)

Tel: 0141 562 1260

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

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

## **Report by Assessor & Electoral Registration Officer**

**Valuation Joint Board – 21 November 2014**

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### **Subject: Personnel Policy – Right to Request Flexible Working**

#### **1.0 Purpose**

- 1.1 To seek members approval of a new 'Right to Request Flexible Working Policy'.

#### **2.0 Background**

- 2.1 At its meeting on 12<sup>th</sup> June 2009 the Valuation Joint Board approved a 'Right to Request Flexible Working for Parents and Carers Policy'.
- 2.2 In line with legislation of the time, the policy provided a right to request Flexible Working to employees with care requirements for young children or elderly or disabled dependants.
- 2.3 The Valuation Joint Board generally aligns its Personnel Policies with those of West Dunbartonshire Council (WDC).

#### **3.0 Progress**

- 3.1 The introduction of The Children and Families Act 2014 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.
- 3.2 A revised Draft 'Right to Request Flexible Working' Policy which reflects that new requirement is attached for Members' consideration.
- 3.3 The revised draft is broadly in line with the similar policy which was approved by West Dunbartonshire Council in August 2014.
- 3.4 The revised policy has been reviewed by the relevant trade union and no objection has been made.
- 3.5 Further, the revised policy has been Equality Impact Assessed and a copy is attached for Members' information.

## **4.0 Recommendations**

4.1 The Valuation Joint Board is asked to:

- (a) Approve the 'Right to Request Flexible Working' Policy.

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Person to contact:

David Thomson (Assessor and ERO)

Tel: 0141 562 1260

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

## Dunbartonshire and Argyll & Bute Valuation Joint Board

### Right to Request Flexible Working 2014

#### Equality Impact Assessment

This summary report proforma summarises the issues and actions identified in the impact assessment.

1	Title of Policy or function	Right to Request Flexible Working
2	Responsible Officer	David Thomson
3	Staff involved in impact assessment screening	DAB Management Team
4	Other staff / services / community groups involved	Policy developed by the Management Team following advice from West Dunbartonshire Council's HR&OD Business Manager
5	Brief summary of any consultation carried out.	Research of similar policies, particularly the WDC Flexible Working policy. Draft Policy shared with relevant trade union.
6	Summary of (potential) impacts identified	The extension of the existing policy in line with legal requirement should ensure that all employees have equal access to the right to request Flexible Working.
7	Summary of actions identified	The availability of the policy to <u>all</u> staff, rather than just a sub-set, supports the commitment of both the Assessor and the Board to the promotion of equal opportunities. As with all HR policies, fair operation will be aided by good organisational and managerial understanding of the Policy.
8	What 'equalities' monitoring is required for this policy / service?	Applications for Flexible Working, and their outcomes, will be monitored and reported to the Management Team
9	Date of completion of assessment	October 2014



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

# Right to Request Flexible Working

## RIGHT TO REQUEST FLEXIBLE WORKING

**Key Driver for Change/Policy Development:**

Introduction of Children and Families Act 2014 has extended the statutory right for all employees with 26 weeks continuous service to be able to make an application for Flexible Working

Drafted – 23/10/14

Management Team Review – October 2014

Agreed by Management Team – October 2014

Approved By Board – November 2014

Implemented with staff – November 2014

Posted to Intranet – November 2014



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

## **RIGHT TO REQUEST FLEXIBLE WORKING**

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

## **RIGHT TO REQUEST FLEXIBLE WORKING**

### **1. INTRODUCTION**

- 1.1 On 30 June 2014, the Flexible Working Regulations were amended. The changes extend the right to request flexible working to all employees after 26 weeks' service, rather than only those with children aged 16 or under (or 18 if the child is disabled) and certain carers.
- 1.2 The Valuation Joint Board is committed to providing the opportunity for employees to achieve a balance between their caring obligations and work requirements. Working flexible hours is particularly valuable for parents of young children and people who are caring for elderly or disabled dependants.
- 1.3 The Joint Board is committed to equal opportunities for all employees and requests for flexible working will be fully considered. The right to request flexible working is available to men or women who meet the eligibility criteria.
- 1.3 This scheme has been designed to enable eligible employees to make a request for flexible working and for managers to consider the request.

### **2. SCOPE**

- 2.1 This document applies to all employees of Dunbartonshire and Argyll & Bute VJB.
- 2.2 The Joint Board will ensure that good equal opportunities practice underpins the operation of this policy irrespective of age, disability, gender, gender reassignment, race/ethnicity, religious faith/beliefs, sexual orientation, marital status or pregnancy/maternity. The policy and procedure has been impact assessed.

### **3. KEY PRINCIPLES**

- 3.1 Under the Children and Families Act 2014, all employees with 26 weeks continuous service have the statutory right to request flexible working irrespective of caring responsibilities.

### **4. ELIGIBILITY**

- 4.1 To be eligible to request flexible working the applicant must:
  - Be an employee of Dunbartonshire and Argyll & Bute Valuation Joint Board (DABVJB)
  - Have worked with DABVJB continuously for 26 weeks at the date the application is made

- Not have made another application to work flexibly under the right to request flexible working during the previous 12 months

4.2 Eligible employees have the right to request flexible working arrangements which may include the following:-

- a change to the hours they work
- a change to the times when they are required to work
- the facility to work from home
- a combination of the above

## **5. APPLICATION OF POLICY AND PROCEDURE**

- 5.1 Prior to making an application for flexible working the employee should give careful consideration to any financial implications the change might have on them. Consideration should also be given to any effects it will have on service delivery, the office and/or work colleagues.
- 5.2 Approved applications will normally mean a permanent change to the employee's contractual terms and conditions of employment. However, in some circumstances a permanent change to an employee's contract may not be the best solution. It may be possible to agree on a temporary change of contract for a trial period to assess the demands for care. An example of when this might be appropriate would be when caring for a terminally ill person or for a person whose care needs fluctuate. At the end of this period a review should be undertaken to confirm or alter the arrangement as appropriate.
- 5.3 The employee will be required to make an application for flexible working in writing to their Manager. The Request for Flexible Working Form (Appendix 1) can be used for this purpose.
- 5.4 The Manager will arrange to meet with the employee within 28 days of receipt of the application, to discuss the practical implications of the desired working pattern and how best it might be accommodated. The meeting may also provide an opportunity to consider alternative working patterns should there be problems in accommodating the requested work pattern. (Note the Manager must be authorised to approve requests. If not then the request must be dealt with by a Manager at the appropriate level. Authority to approve such requests will be delegated to the Management Team and the Administrative Manager).
- 5.5 The employee may be accompanied to the meeting by a Trades Union representative, or colleague.
- 5.6 The Manager will confirm to the employee, in writing, within 14 days of the meeting either:

- (a) agreement on the new work pattern and start date, or,
- (b) that the request has been refused and provide clear business reasons for this decision

## **6. APPEALS PROCEDURE**

- 6.1 The employee will have the right to appeal any decision taken by their Manager to a Senior Officer nominated by the Assessor within 14 days of the date on which notice of the decision is given.
- 6.2 Appeals must be in writing and the Flexible Working Appeal Form (Appendix 2) can be used for this purpose. A copy of the form is available on the DAB VJB intranet. Completed forms should be sent to the relevant Secretary for the attention of the Assessor.
- 6.3 As part of the Joint Board's equality monitoring process the employee should complete the Equalities Monitoring Form which is attached to the Appeal Form and submit this for monitoring purposes.
- 6.4 The employee will be notified within 5 days of the date on which the Appeal Form was received advising of the arrangements for the Appeal Hearing. The Hearing will be heard by the nominated Senior Officer. The employee has the right to be accompanied by their Trades Union representative or colleague at this meeting.
- 6.5 The employee will be notified in writing of the decision within 5 days of the date of the concluded Appeal Hearing.
- 6.6 If the employee remains dissatisfied with the outcome of the Appeal they have the right to a further Appeal to the Assessor. The employee should complete a further Appeal form detailing the outcome of the previous Hearing and forward this to the relevant Secretary. An Equalities Form need not be completed at this stage. All appeals must be submitted within 14 days of receipt of the original appeal decision.
- 6.7 As the Assessor has delegated responsibility for staffing levels there is no further right of appeal in relation to the flexible working request. Should there be any concerns relating to the procedure followed these may be raised through the normal Grievance procedure.

## **7. REVIEW AND MONITORING**

The policy and procedure will be reviewed in line with employment legislation and employment practice. Any amendments to the policy will be implemented after consultation with the trades unions.

## REQUEST FOR FLEXIBLE WORKING APPLICATION FORM

### EMPLOYEE DETAILS:

SURNAME		FIRST NAME(S)	
DESIGNATION		EMPLOYEE REF:	
		LOCATION	

### FLEXIBLE WORKING REQUEST

I wish to apply to work a flexible working pattern that is different to my current working pattern under my right provided under the Children and Families Act 2014.

I confirm that I meet the eligibility criteria (see below).

### WORKING ARRANGEMENT:

**Describe your current working pattern (days/hours/times worked):**


**Describe the working pattern you would like to work in future (days/hours/times to be worked):**


### IMPACT OF NEW WORKING PATTERN:

**I think this change in my working pattern will affect my employer and colleagues as follows:**


### ACCOMMODATING THE NEW WORKING PATTERN:

**I think the effect on my employer and colleagues can be dealt with as follows:**


### COMMENCEMENT:

**Requested date for commencement:**

<b>DECLARATION:</b>	
<ul style="list-style-type: none"> <li>• I am an employee of Dunbartonshire and Argyll &amp; Bute Valuation Joint Board and I have at least 26 weeks continuous service.</li> <li>• I have not made a request to work flexibly under this right during the past 12 months.</li> </ul>	
<b>Signed</b>	<b>Date</b>

**PASS COMPLETED FORM TO A SECRETARY FOR THE ATTENTION OF THE ASSESSOR**

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD - APPENDIX 2**

<b>NOTIFICATION OF FLEXIBLE WORKING APPEAL CONFIDENTIAL</b>			
<b>EMPLOYEE DETAILS:</b>			
Surname		First Name(s)	
N.I. No.		Date of Birth	
Designation		Grade	
Contact No.		Employee Ref	
		Location	
Trade Union		T.U. Representative	
<b>STAGE OF FLEXIBLE WORKING APPEAL (Please tick)</b>			
<b>STAGE 1 – Senior Officer</b> <input type="checkbox"/> ]			
<b>STAGE 2 – Assessor &amp; ERO</b> <input type="checkbox"/> ]			
<b>NATURE OF FLEXIBLE WORKING APPEAL:</b>			
<b>Resolution:</b> Please indicate how you think the appeal might be resolved.			
<b>Submissions :</b> Please indicate any submissions made with this form			
Notifications of previous outcomes: (Please tick below)			
Initial decision		Appeal decision	
Other submissions: please specify and other submissions/attachments			
1.			
2.			
3.			
<b>Signed</b>		<b>Date</b>	

# DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

## FLEXIBLE WORKING EQUAL OPPORTUNITIES

*DABVJB is committed to ensuring that fair practices are adhered to during the course of employment. Without accurate data on these compositions we are unable to monitor the effectiveness of our Equal Opportunities policy and identify and address potential discriminatory practices and barriers. To help us do this, we ask you to complete this form and submit it with your Appeal. The information will be used solely for monitoring purposes and will be treated and stored in confidence and be used to provide a profile of the Joint Board's employees.*

Disability							
Disability is described by the Equality Act 2010 as a physical or mental impairment that has a substantial long term adverse effect on an individual's ability to carry out normal day to day activities.							
Do you consider yourself to have a disability?				Yes	<input type="text"/>	No	<input type="text"/>
I prefer not to disclose my disability information to the Valuation Joint Board						<input type="text"/>	
Gender							
Male	Female			Other		Prefer not to say	
Race							
White		Mixed		Asian & Asian British			
British	<input type="text"/>	White & Black Caribbean		Indian		<input type="text"/>	
Scottish	<input type="text"/>	White & Black African		Pakistani		<input type="text"/>	
English	<input type="text"/>	White & Asian		Bangladeshi		<input type="text"/>	
Welsh	<input type="text"/>	Other Asian background		Prefer not to say		<input type="text"/>	
Other White	<input type="text"/>	Other Mixed					
Black & Black British		Chinese or other group					
Caribbean	<input type="text"/>	Chinese					
African	<input type="text"/>	Any other background					
Other Black background	<input type="text"/>	Please indicate other ethnic background				<input type="text"/>	
I prefer not to divulge my ethnic origin to the Valuation Joint Board							<input type="text"/>
Religion or Belief							
No Religion	<input type="text"/>	Christian	<input type="text"/>	Muslim	<input type="text"/>	Hindu	<input type="text"/>
Buddhist	<input type="text"/>	Jewish	<input type="text"/>	Sikh	<input type="text"/>	Other	<input type="text"/>
I prefer not to divulge my religion or belief to the Valuation Joint Board							<input type="text"/>



<b>Sexual Orientation</b>						
Heterosexual		Transsexual		Bisexual		
Gay		Lesbian		Other		
I prefer not to disclose my sexual orientation to the Valuation Joint Board						
<b>Gender Reassignment</b>						
At birth were you described as		Male		Female		
		Intersex		Prefer not to say		
Which of the following best describes how you think of yourself		Male		Female		
		In another way		Prefer not to say		
Have you gone through any part of a process (including thoughts or actions) to change from the sex you were described as at birth to the gender you identify with, or do you intend to?				Yes		
				No		
<b>Pregnancy and Maternity</b>						
Are you pregnant?	Yes		Have you given birth in the last 26 weeks?	Yes		
	No			No		



## DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD – APPENDIX 3

### FLEXIBLE WORKING APPEAL RECORDING FORM FOR USE BY MANAGERS

This form is designed to be used to document all Stages of the Flexible Working Appeals Procedure. Please use the section below to record the outcome of each stage of the flexible working appeal where applicable.

#### EMPLOYEE DETAILS:

Surname		First Name(s)	
N.I. No.		Date of Birth	
Designation		Grade	
Contact No.		Employee Ref	
		Location	
Trade Union		T.U. Representative	

#### STAGE 1 – Request to Manager

Date Flexible Working Request submitted:

Name of Manager		Date of Meeting	
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What answer was provided at initial request stage:


#### STAGE 2 – Appeal to Senior Officer

Date Flexible Working Appeal submitted:

Name of Snr Officer		Date of Meeting	
---------------------	--	-----------------	--

What answer was provided following Flexible Working Appeal:


#### STAGE 3 - Appeal to Assessor & ERO

Date Further Appeal submitted:

Name Assessor & ERO		Date of Meeting	
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What answer was provided following Further Appeal:


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

## **Report by Assessor & Electoral Registration Officer**

**Valuation Joint Board – 21 November 2014**

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### **Subject: Public Sector Equality Duty – Improving Equality Outcomes Project**

#### **1.0 Purpose**

- 1.1 To seek members approval of replacement Equality Outcomes for implementation in the Valuation Joint Board.

#### **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 Board's response to a number of duties arising out of The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. One of the duties was to publish equality outcomes and report on progress.
- 2.3 In May 2014 the Board was one of a number of authorities invited by the Equalities and Human Rights Commission to take part in an 'Improving Equality Outcomes Project'.

#### **3.0 Progress**

- 3.1 The Depute Assessor has worked closely with members of the Commission's staff in an effort to identify improved outcomes that are measurable and relevant.
- 3.2 The two proposed outcomes have been approved by the Commission's staff and progress towards these will be reported on at future Board meetings.
- 3.3 The two new outcomes will replace the previously approved outcomes and are found at pages 25 – 28 of the attached revised Public Sector Equality Duty report.

#### **4.0 Recommendations**

- 4.1 It is recommended that the Board approves the attached revised Public Sector Equality Duty report.

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#### Person to contact:

Robert Nicol (Depute Assessor and ERO)

Tel: 0141 562 1263

E-mail: [Robert.nicol@dab-vjb.gov.uk](mailto:Robert.nicol@dab-vjb.gov.uk)



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## **Public Sector Equality Duty**

**Revised November 2014**

## **Foreword**

The Equalities Act 2010 provides 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.

The November 2014 revision is to take into account replacement Equalities Outcomes. These outcomes were formed working in partnership with the Equalities and Human Rights Commission.

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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 Equal Pay Act 1970 is replicated with only a few amendments. The long term objective for all organisations is to try to achieve equality in working contracts for women and men, and the Board is committed to this.

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.

These conditions are unenforceable

The Act encourages employers to publish pay scale information but this is only applies to public bodies with over 150 employees. Statistics are produced annually detailing the staff pay grades.

## **3.0 Positive Action**

Prior to the 2010 Act 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 consider employing a person because of their protected characteristic(s) from a number of equally qualified candidates with other similar comparative merits.

The new legislation allows employers to 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. The Equalities Outcomes below detail the activities which will be employed to achieve those outcomes.

## **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 requires 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.

## **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.

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

Assessments were made of the Board's premises some years ago and accesses were 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 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**

**9.1** 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.

**9.2** 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.

**9.3** 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.

**9.4** Annual provision 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 2012-13

## 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. 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.

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.

- Identify our gender pay gap.
- 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.

Data for our workforce has been drawn both from an Excel database for previous years and from an access database developed in 2013 to cover present and future years. Reporting categories for our workforce are age, carer responsibility, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation.

### **Scope of Report**

This report provides an overview of our workforce profile as at 31st December 2012 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 40 to 59 age group which make up 61% of staff. 20% of employees are aged 30 to 39 and 14% are 20 to 29. Just 5% are over 59.

#### Applications for Employment by Age

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Grievance by Age

- There were no recorded grievances in 2012

#### Training and Age

- This was not monitored in 2012 but will be in 2013 to include ongoing and completed training by age band

Age Range	Number of Staff
16 -17	0
18 -21	0
22 – 30	11
31 – 40	14
41 – 50	22
51 – 60	15
61 – 65	2
66 – 70	0
71+	0
Do not wish to declare	0

## Analysis by Protected Characteristic

### Carer Responsibility

#### Profile of Workforce

- 9% of the staff have caring responsibilities while 88% have none. The remainder did not wish to declare

#### Applications for Employment by Carer Responsibility

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Grievance by Carer Responsibility

- There were no recorded grievances in 2012

#### Training and Carer Responsibility

- This was not monitored in 2012 but will be in 2013 to include ongoing and completed training by carer responsibility.

<b>Carer Responsibility</b>	<b>Number of Staff</b>
No	56
Yes	6
Do not wish to declare	2

## Analysis by Protected Characteristic

### Disability

#### Disability Profile of Workforce

- 5% of employees have stated that they are disabled. 94% do not have a disability. The remainder did not wish to declare. This data suggests that disabled employees are underrepresented in our workforce as information from the Scottish Government shows that nearly one in five people of working age (1 million, or 19%) in Scotland are disabled<sup>1</sup>.

#### Job Applications by Disability

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Disability and Grievance

- There were no recorded grievances in 2012

#### Training Completed and Disability

- In 2012, 70% of all training requests made by disabled staff, and 61% of able bodied requests, were completed.

#### Representation of disabled persons at senior management level.

- The management team of five includes one disabled person

<b>Disability</b>	<b>Number of Staff</b>
No	60
Yes	3
Do not wish to declare	1

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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 are protected under the characteristic of gender reassignment. 1 member of staff did not wish to declare

#### Applications for Employment

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Gender Reassignment and Grievance

- There were no recorded grievances in 2012

#### Training Completed and Gender Reassignment

- As none of the workforce are protected under the characteristic of gender reassignment no statistics are available.

Gender Reassignment	Number of Staff
No	63
Yes	0
Do not wish to declare	1

## Analysis by Protected Characteristic

### Marital Status & Civil Partnership

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

- 56% of the Board's employees are married. 31% have never been married or registered in a same sex partnership. 9% are divorced, and 2% are married and separated. The remainder chose not to declare.

#### Applications for Employment

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Marital Status, Civil Partnership and Grievance

- There were no recorded grievances in 2012

#### Marital Status, Civil Partnership and Training

- This was not monitored in 2012 but will be in 2013 to include ongoing and completed training by marriage and civil partnership.

<b>Marriage and Civil Partnership</b>	<b>Number of Staff</b>
Divorced	6
Formerly in same sex partnership which is now legally dissolved	0
In registered same sex civil partnership	0
Married	36
Never married or registered in same sex partnership	20
Separated but married	1
Separated but still in same sex civil partnership	0
Surviving partner from same sex civil partnership	0
Widowed	0
Do not wish to declare	1

## Analysis by Protected Characteristic

### Pregnancy and Maternity

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

- All women returned to work from maternity leave in 2012.

Staff Pregnant	Maternity under 26 weeks
1	0

## Analysis by Protected Characteristic

### Race

#### Racial Profile of Workforce

- 98% of staff are British, English, Northern Irish or Scottish. The remainder chose not to declare.

#### Applicants for Employment by Ethnicity

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Grievance by Ethnicity

- There were no recorded grievances in 2012

#### Attendance at Training and Ethnicity

- As all members of staff are white and British there are no statistics available here.

Race	Collective Group	Number of Staff
British, English, NI, Scottish	White	63
Do not wish to declare		1



## Analysis by Protected Characteristic

### Religion and Belief

#### Profile of Workforce

- 77% of staff are Christians. 16% have no religion. 2% are of another, not declared, religion. The remainder chose not to declare.

#### Applicants for Employment Religious Belief

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Grievance by Religious Belief

- There were no recorded grievances in 2012

#### Attendance at Training Religious Belief

- This was not monitored in 2012 but will be in 2013 to include ongoing and completed training by religious belief.

Religion and Belief	Number of Staff
Buddhist	0
Christian	49
Hindu	0
Jewish	0
Muslim	0
No Religion	10
Other	1
Sikh	0
Do not wish to declare	4

## Analysis by Protected Characteristic

### Sex

#### Gender Profile of Workforce

- The Board's workforce is predominantly female, with 63% of employees being female and 37% male. This reflects 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>
- Further available statistics show-

	Argyll and Bute Council	East Dunbartonshire Council	West Dunbartonshire Council	All Scottish Valuation Boards
Males	29%	27%	35%	50%
Females	71%	73%	65%	50%

- Within the Board, 41 per cent of female employees are part-time, compared to 16 per cent of male employees who work part time.

#### Job applications by gender

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Starters and Leavers by Gender

- There were no starters in 2012
- The one leaver was female

#### Grievances by Gender

- There were no recorded grievances in 2012

#### Disciplinary Proceedings by Gender

- There were no disciplinary proceedings in 2012

#### Training completed by Gender

- In 2012, 64% of all training requests by females and 57% of male requests were completed.

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

Representation of males and females at senior management level.

- The management team consists of four males and one female

<b>Gender</b>	<b>Number of Staff</b>
Female	39
Male	24
Do not wish to declare	1

## Analysis by Protected Characteristic

### Sexual Orientation

#### Workforce profile by Sexual Orientation

- 98 % of the staff are heterosexual straight. The remainder chose not to declare. It may be that none of the workforce are protected under the characteristic of gender sexual orientation.

#### Applicants for Employment by Sexual Orientation

- The Board advertised no permanent posts in the 12 months to 31<sup>st</sup> December 2012

#### Grievance by Ethnicity

- There were no recorded grievances in 2012

#### Attendance at Training and Ethnicity

- As none of the workforce are protected under the characteristic of gender sexual orientation there are no statistics available here.

<b>Sexual Orientation</b>	<b>Number of Staff</b>
Bisexual	0
Gay or Lesbian	0
Heterosexual straight	63
Other	0
Do not wish to declare	1

## Equality Outcomes

### Equalities Outcome 1:

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

#### Context

Having undertaken our staff survey the data suggests 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.

Having undertaken our staff survey and 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	Bi annual	Bi 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	Bi annual	Bi 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.

## 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 reported in detail across all the current protected characteristics. Information arising out of a more detailed analysis of customer satisfaction 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.





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

## **Report by Assessor & Electoral Registration Officer**

**Valuation Joint Board – 21 November 2014**

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**Subject: Defalcation Procedures – Strategy For The Prevention and Detection of Fraud & Corruption**

### **1.0 Purpose**

- 1.1 To seek members approval of a new 'Strategy for the Prevention and Detection of Fraud and Corruption' for implementation in the Valuation Joint Board.

### **2.0 Background**

- 2.1 At its meeting on 8<sup>th</sup> December 2006 the Valuation Joint Board approved a 'Strategy for the Prevention and Detection of Fraud and Corruption' for implementation within the Joint Board.
- 2.2 The Valuation Joint Board normally aligns its financial control systems and policies with those of West Dunbartonshire Council (the Council) and the above Strategy was aligned with the Council's.

### **3.0 Progress**

- 3.1 The Bribery Act 2010 created a new offence which can be committed by commercial organisations which fail to prevent persons associated with them from bribing another person on their behalf. It is expected that these principles should also be applied to public sector organisations.
- 3.2 In June 2014 West Dunbartonshire Council updated its Strategy for the Prevention and Detection of Fraud and Corruption to take account of the above Act.
- 3.3 A revised Strategy for the Joint Board, which takes account of the above Act and is broadly aligned to the Council's, has been drafted and is attached for Members' consideration.
- 3.4 The Revised Strategy has been reviewed by the Council's Audit and Risk Manager.

## **4.0 Recommendations**

4.1 The Valuation Joint Board is asked to:

- (a) Approve the 'Strategy for the Prevention and Detection of Fraud and Corruption'.

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*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## **STRATEGY FOR THE PREVENTION AND DETECTION OF FRAUD & CORRUPTION**

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

### **STRATEGY FOR THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION**

#### **1. INTRODUCTION**

1.1.1 Dunbartonshire and Argyll & Bute Valuation Joint Board aims to provide Best Value Services. The Board must therefore protect itself and the public from losses due to Fraud & Corruption and is committed to the rigorous maintenance of a strategy for the prevention and detection of fraud and corruption which will provide a framework for:

- Encouraging fraud deterrence and prevention;
- Raising awareness of fraud and corruption and promoting their detection;
- Performing investigations and facilitating recovery;
- Invoking disciplinary proceedings and referral to the Police; and
- Monitoring, publicising and updating the policy and its related procedures and performance.

1.2 The Board must demonstrate clearly that it is firmly committed to dealing with fraud and corruption and will deal equally with perpetrators from inside (members and employees) and outside the authority. In addition, there will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.

1.3 The Board is also aware of the high degree of external scrutiny of its affairs by a variety of bodies such as the Accounts Commission, Audit Scotland, inspection bodies, the Public Sector Ombudsman and HMRC. These bodies are important in highlighting any areas where improvements can be made.

#### **2. DEFINITIONS**

##### **2.1 Fraud**

The Board regards Fraud as:-

*"The intentional distortion of financial statements or records by persons internal or external to the Valuation Joint Board which is carried out to conceal the misappropriation of assets or otherwise for gain. Fraud is a deliberate act*

*by an individual or group of individuals and is, therefore, always intentional and dishonest”.*

## **2.2 Corruption**

The Board regards Corruption as:-

*"the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person".*

In addition, this strategy covers

*"the failure to disclose an interest in order to gain financial or other pecuniary gain ".*

## **3. KEY ELEMENTS OF THE STRATEGY**

### **3.1 Culture**

- 3.1.1 The Board aims to ensure that the culture of the organisation meets the expectations of the Committee on Standards in Public Life (the Nolan Committee), and is committed to the seven Nolan principles of objectivity, openness, leadership, accountability, honesty, selflessness and integrity. The Board's culture therefore supports the opposition to fraud and corruption.
- 3.1.2 The prevention/detection of fraud/corruption and the protection of the public purse are everyone's responsibility. The Board encourages employees and members of the public to raise any concerns they may have using either its Policy on Confidential Reporting or its Complaints Procedure, both of which can be viewed on the Board's intranet.
- 3.1.3 The Board's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence.
- 3.1.4 Concerns must be raised when members or employees reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:
- a criminal offence
  - a failure to comply with a statutory or legal obligation
  - improper / unauthorised use of public or other funds
  - a miscarriage of justice
  - maladministration, misconduct or malpractice

- endangering of an individual's health and safety
- damage to the environment
- deliberate concealment of any of the above.

3.1.5 The Board will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner subject to its Confidential Reporting Policy or West Dunbartonshire Council's (hereafter referred to as the "Council") Business Irregularities Procedures (in which it should be noted that the Assessor performs the combined role of Chief Executive and Head of Department/Departmental Director).

3.1.6 The Board will deal firmly with those who defraud the authority, or who are corrupt, and instances of financial malpractice. There is, of course, a need to ensure that any investigation process is not misused. Any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary matter.

## **3.2 Bribery Act 2010**

3.2.1 The Bribery Act 2010 created a new offence which can be committed by commercial organisations which fail to prevent persons associated with them from bribing another person on their behalf. At stake is the principle of free and fair competition, which is diminished by each bribe offered or accepted. It is expected that these principles should also be applied to public sector organisations. Bribery – the offer or acceptance of a reward to persuade someone to act dishonestly and / or breach the law – is unacceptable at any level.

3.2.2 This Act provides for 4 bribery offences:

- Bribing - the offering, promising or giving of an advantage
- Being bribed - requesting, agreeing to receive or accepting an advantage
- Bribing a foreign official
- The "corporate offence" where a commercial organisation fails to prevent persons performing services on its behalf from committing bribery

3.2.3 It should be emphasised that fraud and corruption include any activities which constitute acts of bribery as described in the Bribery Act 2010

3.2.4 The Board has practical procedures in place including decision making processes, financial controls and a Code of Conduct for Employees, to prevent persons performing services on its behalf from committing bribery. Allegations of corruption are dealt with under the Council's Business Irregularities process, including an investigation which may result in a

disciplinary sanction. Employees are required to adhere to our Code of Conduct and ensure that they do not breach legislation.

- 3.2.5 The Code of Conduct for Employees can be accessed from the Board's intranet site

### **3.3 Improvement to Systems and Procedures**

When fraud or corruption have occurred because of a breakdown in the Board's systems or procedures, authorised senior management will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

### **3.4 Prevention**

#### **3.4.1 The Role of Elected Members**

As elected representatives of the constituent Councils, all members of the Board have a duty to citizens to protect it (the Board) from all forms of abuse. This is facilitated through the anti-fraud and corruption strategy, through compliance with the national code of conduct for members, the Board's Financial Regulations and Standing Orders and the relevant legislation.

#### **3.4.2 The Role of Employees**

- *Responsibilities of Managers*

Managers at all levels are responsible for the communication and implementation of this strategy in their work area. They are also responsible for ensuring that their employees are aware of the Board's Financial Regulations and Standing Orders, and that the requirements of each are being met in their everyday business activities. In addition, managers must make their employees aware of the requirements of the Board's Code of Conduct for Employees through the induction process.

Managers are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. Where they are unsure of the procedures, they must refer to the information in the Board's Confidential Reporting Policy.

The Board recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary, or casual posts.

The Board adopts the formal recruitment procedure utilised by West Dunbartonshire Council, which contains appropriate safeguards on matters such as written references and verifying qualifications held. As with other public bodies, Disclosure checks are undertaken on employees, as appropriate.



- *Responsibilities of Employees*

Each employee is governed in their work by the Board's Standing Orders, Financial Regulations and the Code of Conduct for Employees, along with other Joint Board policies relating to health and safety, IT strategy, IT security etc. The Joint Board's Code of Conduct for Employees includes guidelines and procedures for dealing with gifts and hospitality, professional and personal conduct and conflicts of interest.

In particular, employees should be aware that the Valuation Joint Board maintains a Register of Interests which is used to record any instances where conflicts of interest, or potential conflicts of interest, should also be registered. Please see the Code of Conduct for Employees for more details.

In addition, employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the Board. These will be included in induction training and procedure manuals.

Any concerns an employee may have about a suspected irregularity should be raised through the Board's Confidential Reporting procedure.

### **3.5 Conflicts of Interest**

- 3.5.1 Both elected members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations may arise when dealing with externalisation of services, tendering and contracting, valuation issues, etc. Effective role separation will ensure decisions made are visibly based upon impartial advice, and will preclude questions about improper disclosure of confidential information. Further guidance on dealing with conflicts of interest, or potential conflicts of interest, are contained within the Board's Code of Conduct for Employees.
- 3.5.2 Employees must declare any possible conflicts of interest they may have, whether in contracts entered into by the Board or otherwise. Such interests will be dealt with in accordance with the Code of Conduct for Employees.

### **3.6 Role of Internal Audit**

Internal Audit is an independent function within West Dunbartonshire Council. It plays a vital preventative role in trying to ensure that the Board has systems and procedures in place to prevent and detect fraud and corruption. Internal Audit investigate all cases of suspected irregularity in accordance with the Council's Business Irregularities Procedure, except benefit fraud investigations (see below). They will liaise with management to recommend any changes in procedures which might be required to prevent further losses to the Board.

### **3.7 The Role of the Council's Benefits Investigation Team (Corporate Fraud Team wef 1<sup>st</sup> April 2015)**

West Dunbartonshire Council's benefits investigation team is responsible for all benefit fraud investigations. In cases where Board employees are involved, they will work with Internal Audit, HR & OD and appropriate senior management to ensure that correct procedures are followed and that this strategy is adhered to.

### **3.8 The Role of External Audit**

Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test (amongst other things) the adequacy of the Board's financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has a responsibility to review the Board's arrangements to prevent and detect fraud and irregularity, and arrangements designed to limit the opportunity for corrupt practices.

### **3.9 Co-operation with Others**

Internal Audit has arranged, and will keep under review, procedures and arrangements to develop and encourage the exchange of information on national and local fraud and corruption activity in relation to local authorities (the definition of which includes Valuation Joint Boards) with external agencies such as:

- Police
- other Local Authorities
- Audit Scotland
- Department for Work and Pensions (DWP); and
- Other Government departments

The Board, in co-operation with West Dunbartonshire Council, participates in the National Fraud Initiative, a country wide exercise involving the matching of data within key datasets across local authorities and other public bodies.

## **4 DETERRENCE**

### **4.1 Prosecution**

The Board will adopt the Council's Benefits Prosecution Policy. This encompasses the public, elected members and employees. It is designed to clarify the Board's actions in specific cases and to deter others from committing offences against the Board. However, it also recognises that it may not always be in the public interest to refer cases for criminal proceedings.

### **4.2 Disciplinary Action**

- ***Employees***

Theft, fraud and corruption are serious offences against the Board and employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner, after consultation with the Assessor and Electoral Registration Officer.

- ***Members***

Elected Members will face appropriate action under this strategy if they are found to have been involved in theft, fraud or corruption against the Board. Action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner. This may include a complaint to the Standards Commission for Scotland in the event that there has been a breach of the provisions of the Board's Code of Conduct. West Dunbartonshire Council's Business Irregularities Procedures govern the manner in which investigations shall be undertaken.

## **5 DETECTION AND INVESTIGATION**

### **5.1 Detection**

Internal Audit plays an important role in the detection of fraud and corruption. Included in their Audit Plan are reviews of system financial controls and specific fraud and corruption tests, spot checks and unannounced visits. In addition to Internal Audit, there are numerous systems controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection.

In some cases, frauds are discovered by chance or 'tip-off' and arrangements are in place to enable such information to be properly dealt with, in accordance with the requirements of Human Rights legislation.

## **5.2 Reporting**

5.2.1 All suspected irregularities are required to be reported (verbally or in writing) either by the person with whom the initial concern was raised or by the originator, as per the Board's Confidential Reporting Policy. This is essential to the strategy, and:

- ensures the consistent treatment of information regarding fraud and corruption
- facilitates a proper and thorough investigation by an experienced audit team

5.2.2 All allegations and investigations undertaken will be reported to the Joint Board, along with the relevant outcomes and actions taken.

## **5.3 Investigation**

The Council's Business Irregularities Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees or elected members.

This process will apply to all the following areas:

- a) Fraud/corruption by elected members
- b) Fraud/corruption by employees
- c) Fraud/corruption by contractors' employees
- d) External fraud/corruption (the public)

Depending on the nature of an allegation under a) to d) above, the Council's Audit and Risk Manager will normally work closely with the Assessor & ERO to ensure that all allegations are thoroughly investigated and reported at an appropriate level

## **5.4 Prosecution**

5.4.1 Any decision to refer a matter to the police will be taken by the Assessor & Electoral Registration Officer, in liaison with the Council's Audit and Risk Manager. The Board will normally wish the Police to be made aware of, and investigate independently, offenders where financial impropriety is discovered.

5.4.2 No approach is to be made to the Police by any officer regarding business irregularities, except by the Assessor & ERO, Depute Assessor & ERO or other office acting on their authority. Only where there has been a break-in or where a crime has been committed against an individual, e.g. personal injury, should other officers contact the Police directly.

## **6 CONCLUSION**

- 6.1 This strategy fully supports the Board's desire to provide quality services representing Value for Money, which are free from fraud and corruption.
- 6.2 The Board has in place a network of systems and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in techniques to both prevent and detect fraudulent or corrupt activity that may affect its operation.
- 6.3 The Board will maintain a continuous review of all these systems and procedures through West Dunbartonshire Council's Internal Audit Section.
- 6.4 This strategy will be regularly reviewed.

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

## **Report by Treasurer**

**Valuation Joint Board: 21 November 2014**

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**Subject: Audit Scotland's Final Audit Report to those charged with Governance 2013/2014**

### **1. Purpose of Report**

- 1.1 The purpose of this report is to advise Members of Audit Scotland's report on the audit of the Joint Board's accounts 2013/14.

### **2. Background**

- 2.1 Audit Scotland have completed their audit of the Joint Board's 2013/2014 annual accounts and have now signed the accounts with an unqualified audit certificate.
- 2.2 The audited annual report and final accounts were submitted to the Finance Sub-Committee on 24 September 2014 and are now submitted to Members as another agenda item at this meeting.
- 2.3 Audit Scotland is required to report on the audit of the Board's annual accounts and does this through the report to those charged with governance which is attached for review. This report was previously submitted to the Finance Sub-group on 24 September 2014 for consideration.

### **3. Main Issues**

- 3.1 Audit Scotland has mentioned one key matter arising during the audit of the financial statements in relation to the timing of the valuation of the fixed assets (paragraph 22 on page 12 of the report). This matter has now been resolved.
- 3.2 Attachment called Report to those charged with governance on the 2013/14 audit "Appendix C: Annual Report on the 2013/14 Audit" (pages 8 to 17) is intended to inform Members of the work carried out by Audit Scotland during 2013/14. The key message is provided on page 10 of this report, with further detail provided on pages 11-17.
- 3.3 There was one recommendation identified in the report for further action which is highlighted in the action plan on page 17 of the auditor's report. As detailed in the action plan this recommendation has a target deadline of 31 March 2015.

#### **4. Conclusion and Recommendation**

- 4.1 The Board has received an unqualified audit opinion on the accounts for 2013/14.
- 4.2 Members are asked to note the one key matter arising from the report to those charged with governance.
- 4.3 Members are asked to note the Audit Scotland's recommendation and the Officer's agreed action.
- 4.4 Members are requested to consider the issues raised in this report and the attached report from the Board's external auditors.

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Stephen West

Treasurer

Date: 4 November 2014

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

**Appendix:** Audit Scotland's Final Audit Report to those charged with governance 2013/14.

# Report to those charged with governance on the 2013/14 audit

Audited Body:	Dunbartonshire and Argyll & Bute Valuation Joint Board
Committee:	Finance Sub-Committee
Date:	September 2014

## Background

1. International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires auditors to report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
2. This report sets out for the Finance Sub-Committee's consideration the matters arising from the audit of the financial statements for 2013/14 that require to be reported under ISA 260. We are drawing to your attention those matters we think are worthy of note, so that you can consider them before the financial statements are approved and certified. It should be noted that the audit opinion reflects recent discussions with management and is subject to satisfactory conclusion of any outstanding matters.
3. We also present for your consideration our draft annual report on the 2013/14 audit which identifies significant findings from the financial statements audit. This report is attached at Appendix C and will be issued in final form after the financial statements have been certified.

## Status of the work

4. We have completed the audit of the Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board) accounts. The more significant issues arising were discussed with the Treasurer at a meeting on 1 September 2014.

## Fraud

5. In presenting this report to the Finance Sub-Committee we seek confirmation from those charged with governance of any instances of fraud that have arisen that should be brought to our attention. A specific confirmation from management in relation to fraud has been included in the draft letter of representation.

## Audit opinion and representations

6. Subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, we anticipate being able to issue an unqualified auditor's report on 25 September 2014 (the proposed report is attached at Appendix A). There are no anticipated modifications to the audit report.



7. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature which we regard as errors less than £1,000.
8. We have no unadjusted misstatements to bring to your attention.
9. As part of the completion of our audit we seek written assurances from the Accountable Officer on aspects of the financial statements and judgements and estimates made. A draft letter of representation under ISA580 is attached at Appendix B. This should be signed and returned by the Accountable Officer with the signed financial statements prior to the independent auditor's opinion being certified.

### **Significant findings and key judgements**

10. During the course of the audit we have identified issues regarding the appropriateness of accounting policies or accounting estimates and judgements, the timing of transactions, the existence of material unusual transactions or the potential effect on the financial statements of any uncertainties. The attached annual audit report set out the issues we regard as those to be reported.

### **Outstanding matters**

11. Subject to satisfactory conclusion of any outstanding matters, we will issue our audit opinion along with the signed financial statements and the annual audit report.

# APPENDIX A: Proposed Independent Auditor's Report

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

I certify that I have audited the financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2014 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and Cash-Flow Statement, the related notes and the Statement of Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the 2013/14 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of the Treasurer and auditor**

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is

apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2013/14 Code of the state of the affairs of the body as at 31 March 2014 and of the income and expenditure of the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

### **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 1985; and
- the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

I am required to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Elaine Boyd (FCCA)  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow, G2 1BT

# Appendix B: ISA 580 - Letter of Representation

Elaine Boyd  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

Dear Elaine

## **2013/14 FINANCIAL STATEMENTS – DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**

This representation letter is provided in connection with your audit of the financial statements of Dunbartonshire and Argyll & Bute Joint Board for the year ended 31 March 2014 for the purpose of expressing an opinion as to whether the financial statements present a true and fair view of the financial position of the Board as at 31 March 2014 and its income and expenditure for the year then ended.

I confirm to the best of my knowledge and belief, and having made appropriate enquiries of senior officers, the following representations:

### **Legality of Financial Transactions**

The financial transactions of Dunbartonshire and Argyll & Bute Valuation Joint Board are in accordance with the relevant legislation and regulations governing it. All known or possible non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed to you, together with the actual or contingent consequences which may arise.

### **Accounting Policies**

All material accounting policies adopted are as shown in the Statement of Accounting Policies. The continuing appropriateness of the Board's accounting policies and estimation techniques will be reviewed on a regular basis, having regard to the concepts and qualitative characteristics set out in the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

The accounts of the Dunbartonshire and Argyll & Bute Valuation Joint Board have been prepared on a going concern basis. I have assessed the partnership's ability to carry on as a going concern

and it has been considered appropriate to adopt this basis for the preparation of these financial statements.

### **Assets**

On realisation in the ordinary course of the Board's business the current assets in the balance sheet are expected, in my opinion, to produce at least the amounts at which they are stated.

### **Liabilities**

All liabilities have been provided for in the books of account.

### **Contingent Liabilities**

There are no significant contingent liabilities arising either under formal agreements or through informal undertakings requiring disclosure in the accounts.

### **Provisions**

There are no material liabilities which have resulted, or may be expected to result, by legal action or otherwise, from events which had occurred by the balance sheet date, and of which Dunbartonshire and Argyll & Bute Valuation Joint Board could reasonably be expected to be aware. As a result, no provision is included in the accounts.

### **Commitments**

Dunbartonshire and Argyll & Bute Valuation Joint Board has no commitments under capital contracts or any other significant commitments or obligations which might adversely affect the partnership, which have not been disclosed.

### **Other Matters**

The results for the period were not materially affected by:

- (i) transactions of a sort not usually undertaken by the Board
- (ii) circumstances of an exceptional or non-recurrent nature
- (iii) charges or credits relating to prior periods
- (iv) any change in the basis of accounting.

All financial statement misstatements identified in the course of the audit have been corrected.

### **Corporate Governance**

I acknowledge, as the officer with responsibility for the proper administration of the Dunbartonshire and Argyll & Bute Valuation Joint Board's financial affairs under section 95 of the Local Government (Scotland) Act 1973, my responsibility for the systems for internal control and that the disclosures I have made are in accordance with guidance on statements on the system of internal control.

I acknowledge that it is the responsibility of Dunbartonshire and Argyll & Bute Valuation Joint Board to prevent and detect fraud and other irregularity. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I have disclosed to the auditor the results of this review, including any allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

### **General**

I acknowledge my responsibility, and that of the Dunbartonshire and Argyll & Bute Valuation Joint Board, for the financial statements. All the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by the Board have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all board and other meetings.

Disclosure has been made in the financial statements of all matters necessary for them to present a true and fair view of the transactions and state of affairs of the Board for the year ended 31 March 2014.

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

There have been no material events since the date of the balance sheet which require revision of the figures in the financial statements or notes thereto including contingent assets and liabilities.

Since the date of the balance sheet no further events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should be brought to your notice.

Yours sincerely

Stephen West, Treasurer

## **Appendix C**

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

## **Annual report on the 2013/14 audit**

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# Key Messages

## 2013/14

We have given an unqualified opinion that the financial statements of the Dunbartonshire and Argyll & Valuation Joint Board (the Board) for 2013/14, give a true and fair view of the state of the body's affairs and of its net expenditure for the year. Key issues identified throughout the audit process are detailed throughout this report.

Overall the Board's arrangements for the prevention and detection of fraud were satisfactory during 2013/14. From our review of the key controls within the main financial systems, we concluded that the Board's systems of internal control are operating effectively.

## Outlook

We confirm the financial sustainability of the Board on the basis of its financial position. Operation of the Board is dependent upon Local Authority funding. As their funds are projected to decrease in the next few years this may have a negative impact on funding available to the Board. It is important that the Board secures funding to support service needs and monitors this closely against expenditure. As Council's are facing a funding environment which is subject to sustained pressure to deliver more with less this may also impact on Board funding and service delivery.

# Introduction

12. This report is the summary of our findings arising from the 2013/14 audit of the Board. The purpose of the report is to set out concisely the scope, nature and extent of the audit. It summarises our opinions (i.e. on the financial statements) and conclusions on significant issues arising.
13. The report also reflects our overall responsibility to carry out an audit in accordance with the public sector audit model which is based on the Code of Audit Practice prepared by Audit Scotland (May 2011). This sets out the wider dimensions of the public sector audit which involves not only the audit of the financial statements but also consideration of areas such as financial performance and corporate governance. An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements prepared by management; however this does not relieve management of their responsibilities in this respect. This report has been prepared for the use of the Board and no responsibility to any third party is accepted.
14. The main body of the report sets out the key audit risks identified at the planning stage and details how we addressed each risk in arriving at our opinion on the financial statements.
15. The section of the report entitled "Action Plan" establishes the high level risks we have identified from the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "planned management action". We do not expect all risks to be eliminated or even minimised. What we expect is that the Board understands its risks and has arrangements in place to manage these risks. Members should ensure that they are satisfied with the proposed management action and have a mechanism in place to assess progress.
16. This report is also addressed to the Auditor General for Scotland and will be published on our website after consideration by the Finance Sub-Committee.

# Financial statements

## Conduct and scope of the audit

17. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in the Annual Audit Plan presented to the Board in March 2014, and follow the requirements of the Code of Audit Practice prepared by Audit Scotland in May 2011.
18. As part of the requirement to provide full and fair disclosure of matters relating to our independence we can confirm that we have not undertaken non-audit related services. The 2013/14 agreed fee for the audit was disclosed in the Annual Audit Plan and as we were not required to carry out any additional work outwith our planned audit activity this fee remains unchanged.

## Audit opinion & accounting issues

19. We have given an unqualified opinion that the financial statements of the Board for 2013/14 give a true and fair view of the state of the body's affairs and of its net expenditure for the year. The audit opinion was formally issued and signed on 24 September 2014.
20. We received the unaudited financial statements on 2 June 2014 in accordance with the agreed timetable. The working papers were of a high standard and the staff provided good support to the audit team and we completed our on-site fieldwork on 24 September 2014. The Board is required to follow the 2013/14 Code of Practice on Local Authority Accounting and we can confirm that the financial statements have been properly prepared in accordance with these accounting requirements.

## Significant findings and key judgements (ISA260)

21. During the course of the audit we identified issues regarding the appropriateness of accounting policies or accounting estimates and judgements, the timing of transactions, the existence of material unusual transactions or the potential effect on the financial statements of any uncertainties.

## Revaluation of non-current assets

22. Following the year end, it was identified 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. Section 4.1.2.35 of 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 by £112,225 to £698,854. The financial statements have been adjusted to reflect this.

## Financial position

### 2013/14 Outturn

23. The main financial objective for the Board is to ensure that the financial outturn for the year is within the resource budget allocated by the three constituent local authorities.
24. The Board operated within the resource budgets for 2013/14 as detailed in Table 1 which also shows a comparison between the budget set and the actual outturn during the financial year.

**Table 1: Resource Budget**

	Budget (£'000)	Actual Outturn (£'000)	(Under) / Over spend (£000)
Net Expenditure	2,749	2,555	(194)
In Year Constituent Contributions	2,664	2,664	0
Use of Reserves	85	(109)	(194)
<b>Final Net Reduction to General Reserves Balance</b>	0	(109)	(109)

Source: Dunbartonshire and Argyll & Bute Valuation Joint Board Annual Report and Financial Statements 2013/14

### 2013/14 Financial Position

25. The Board's Balance Sheet at 31 March 2014 shows that the board currently has a net liability of £3.178m (increased by £0.666m from 2012/13). This increase is predominantly due to a £0.734m increase in the net pension liability. A material net liability can highlight a potential going concern issue however we recognise that the appointed actuary is of the view that the asset holdings of the Strathclyde Pension Scheme and the contributions from employees and employers, together with planned increases in contributions, provide sufficient security over future liabilities. It is thus reasonable that the accounts are prepared on a going concern basis.
26. A reserves policy brought in by the Members of the Board in recent years has led to the Board being able accumulate and hold reserves. As with previous years, actual spend in year has come in below budget and as a result, the Board have increased usable reserves by £0.109m. However, unlike 2012/13, the Board does not intend to issue refunds to the three constituent local authorities. In generating future budgets, management and the Board should consider the appropriate level of budget setting, including consideration of the inclusion of vacant posts, for example, to ensure that contributions made to the Board by the constituent authorities are set at appropriate levels.

#### Action Plan 1

## Corporate governance and systems of internal control

### Overall governance arrangements

27. The Code of Audit Practice gives auditors a responsibility to review and report on audited bodies' corporate governance arrangements and overall we found the Board had sound governance arrangements in place which included a number of standing committees overseeing key aspects of governance.

### Accounting and internal control systems

28. While auditors concentrate on significant systems and key controls in support of the opinion on the financial statements, their wider responsibilities require them to consider the financial systems and controls of audited bodies as a whole. However, the extent of this work should also be informed by their assessment of risk and the activities of internal audit.
29. No material weaknesses in the accounting and internal control systems were identified during the audit which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements.
30. Internal audit is an important element of the Board's governance structure. Our review established that the work of internal audit is of a good quality allowing us to place reliance on a number of areas including internal controls. This not only avoided duplication of effort but also enabled us to focus on other key risk areas.

### Standards of conduct and arrangements for the prevention and detection of corruption

31. Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and financial instructions. Auditors consider whether bodies have adequate arrangements in place. No issues have been identified by us for inclusion in this report.

# Performance

32. The Assessor's report in the Board's 2013/14 annual report provides a comprehensive and balanced review of the Board's performance of the year ending 31 March 2014. Key performance indicators (KPI) have been established to facilitate performance monitoring with suitably challenging performance targets established. Balanced performance reporting is a cornerstone of public performance reporting and is a key element of public accountability. We welcome the Board's approach to performance reporting.
33. Due to the Assessor's report being extensive and publicly available we have limited the information in this section of the report to key issues. Further detail can be obtained by reading the Assessor's report which will be available on the Board's website (<http://www.dab-vjb.gov.uk>).
34. In particular the Assessor notes that the Board:
- Achieved its target of 95% to issue Council Tax banding notices within three months of the date that amendments to the valuation list become effective.
  - Narrowly missed its target of 80% to issue Non-Domestic Rates valuation notices within three months of the date that amendments to the valuation roll become effective. Performance varied with Argyll & Bute achieving 76%, West Dunbartonshire achieving 86% and East Dunbartonshire 80%.
  - Completed the annual canvass on schedule and met the statutory deadline to publish the Electoral Register by 10 March 2014.
  - Maintained high levels of customer satisfaction as evidenced through their annual customer satisfaction survey.

## Council Tax banding appeals

35. In September 2013 it was recognised that the council tax bands of approximately 1,000 domestic properties within East Dunbartonshire required reassessment to ascertain if their current 'E' band should be reduced to a 'D' band. The Board established and achieved a target of completing the review by February 2014 in time for 2014/15 Council Tax Billing. Approximately 400 properties had their Council Tax banding reduced as a result of this exercise, which was significantly less than the previous estimate of around 1,000 properties. In order to complete the review prior to the February 2014 deadline, the Board was required to redirect significant resources which subsequently impacted other areas of performance. The associated publicity also resulted in significantly higher numbers of other appeals being submitted during the year than would normally be the case.

## Non-Domestic Rates running roll appeals

- 36. At the start of 2013/14, 41 running roll appeals were outstanding from the 2005 Valuation Roll, the majority of which related to Mobile Telecommunications networks. During 2012/13 the Lands Tribunal heard a number of cases in a bid to set a precedent in respect of these subjects with the decision going against the Assessors' approach in all respects. An appeal to the Lands Valuation Appeal Court was heard in March 2014, with the outcome still unknown at 31 March 2014. The decision has since been handed down in favour of the ratepayers.
- 37. A significant number of the 1 April 2005 appeals have, as a result, now been processed by the Board. The Scottish Assessors Association is conducting central negotiations with the various ratepayer's agents with the aim of concluding the remaining running roll appeals by the end of the 2014 calendar year. However, the ratepayer's agents have not yet provided sufficient information as will be required to settle these appeals.
- 38. There are a smaller number of appeals relating to canals and gas utility subjects. The canal cases are likely to be progressed following a recent decision in England. Progress on the gas utility subjects is dependant upon the outcomes in England and Wales.

## Electoral registration

- 39. In his annual report the Assessor makes reference to the introduction of Individual Electoral Registration (IER) which was scheduled to 'go live' on 19 September 2014. A confirmation dry run of the connection to the government digital service was performed in August 2013, the results of which were used to help plan the full rollout of IER.
- 40. Further to this, the registration of 16 and 17 year olds for the Scottish Independence Referendum of 2014 commenced in October 2013 and was ongoing until the deadline for registration, 2 September 2014. Those 16 and 17 year olds registered were included in a Young Persons Register which was maintained for the purposes of the referendum on Scottish Independence.

## Acknowledgements

- 41. We would like to express our thanks to the staff of both the Board and West Dunbartonshire Council for their help and assistance during the audit of this year's financial statements which has enabled us to provide an audit report within the agreed timetable.

# Action Plan

## Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
1	26	<p><b>Budget Setting Levels</b></p> <p>The Board has delivered services under budget over the last few years and consequently increased its revenue reserves.</p> <p>Management and the Board should consider the appropriate level of budget setting to ensure that contributions made to the Board by the constituent authorities are set at appropriate levels.</p> <p><b>Risk - Budgets are not aligned to projected expenditure.</b></p>	<p>When setting the budget the Board and management will consider the appropriate level of funding required for the activities and outcomes expected of the VJB.</p>	Stephen West	31 March 2015



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

## **Report by Treasurer**

**Valuation Joint Board - 21 November 2014**

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**Subject: Annual Report and Final Accounts – Year Ending 31 March 2014**

### **1. Purpose**

- 1.1 The purpose of this report is to present the audited annual report and final accounts for the year ending 31 March 2014.

### **2. Background**

- 2.1 I am pleased to report that the draft report and accounts were submitted to the Accounts Commission by 27 June 2014, with the final audited report and accounts being signed on 24 September 2014.
- 2.2 The audited annual report and final accounts were submitted to the Finance Sub-Committee on 24 September 2014.
- 2.3 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.
- 2.4 Members' attention is drawn to the Statement of Responsibilities on page 26.

### **3. Main Issues**

- 3.1 The accounts have now been signed by Audit Scotland and are appended to this report.
- 3.2 I am pleased to report that a clean audit opinion has been given in relation to these accounts (see pages 54-55).
- 3.3 The foreword on pages 21 and 22 summarises the financial position of the Joint Board. The Joint Board's 2013/14 budget was constructed to break even using £85,528 of balances. The Valuation Joint Board completed the year with a further contribution to the funds brought forward of £109,066 and did not need to access reserves. This contribution, together with the unused planned use of £85,528 results in an overall underspend against budget of £194,594.

- 3.4 As at 31 March 2014 the Board held total usable reserves of £538,956 (of which £68,362 are unapplied capital reserves), with the remaining balance comprising of revenue reserves of £470,594. Of this, a sum of £72,745 is held as earmarked balances, leaving £397,849 of general reserves for future use (including £100,000 prudential reserve).

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

- 4.1 The Board has received an unqualified audit opinion in relation to the financial statements for the financial year 2013/14.
- 4.2 Members are requested to note the financial statements for the year to 31 March 2014.

.....  
**Stephen West**

**Treasurer**

**Date: 4 November 2014**

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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  
ANNUAL REPORT AND FINANCIAL STATEMENTS***

**MEMBERS AS AT 31 MARCH 2014**

**JOINT BOARD MEMBERS**

**ARGYLL & BUTE COUNCIL**

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

**EAST DUNBARTONSHIRE COUNCIL**

Councillor Jim Gibbons  
Councillor Vaughan Moody  
Councillor John Jamieson  
Councillor Manjinder Shergill  
Councillor Bill Hendry  
Councillor Michael O'Donnell

**WEST DUNBARTONSHIRE COUNCIL**

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

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **GENERAL SERVICE AIMS AND OBJECTIVES**

### **WHO WE ARE AND WHAT WE DO**

Dunbartonshire and Argyll & Bute Valuation Joint Board is an independent board 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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **1.0 INTRODUCTION**

I am pleased to present my Annual Report in relation to the 2013/14 financial year.

The main purpose of the report is to summarise the functions and activities of the office of the Assessor and Electoral Registration Officer (ERO) over the past year and provide information on the performance levels achieved in carrying out the statutory duties of the organisation.

The 2010 Non-Domestic Rating Revaluation came into effect at 1<sup>st</sup> April 2010 and appeals against the proposed values were received in the period up to 30<sup>th</sup> September 2010. Running roll and 'material change of circumstance' appeals were received throughout the 2013/14 year.

Maintenance activity in relation to our Council Tax functions remained more or less at expected levels though appeal activity was much higher, particularly in the East Dunbartonshire area, than in most years.

In relation to our Electoral Registration functions, the annual canvass, which had a much amended timetable, was completed on time, Personal Identifiers for Absent Voters were refreshed in accordance with the amended legislative requirements and feedback from the Electoral Commission's performance regime was good. Preparations for the change to Individual Electoral Registration (IER) from September 2014 demanded a huge amount of time, attention and resource.

Following the resignation of the Depute Assessor & ERO, Alistair Boyd, in late August, Mr Robert Nicol, formerly of Renfrewshire Valuation Joint Board, was appointed to the post and commenced employment with the Board on 30<sup>th</sup> September 2013. The Management Team was also added to by the appointment of Barry McEwan to the post of Divisional Assessor.

March 2014 also saw the resignation from Argyll & Bute Council of Councillor Fred Hall who was also a Joint Board member. At the June Board meeting Councillor Donald MacMillan was appointed to represent Argyll & Bute Council.

The VJB Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2013/14 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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

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

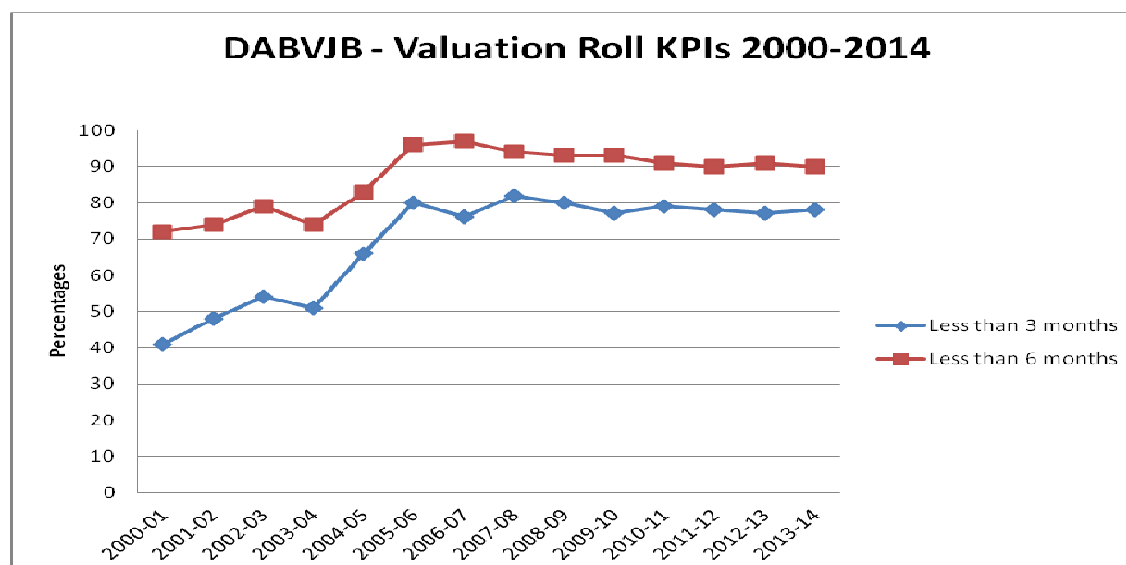
Throughout the year, professional and technical staff have been involved in the routine updating of the Valuation Roll to take account of additions, alterations and deletions. 892 amendments were made to the Valuation Roll during the year.

Total Number of entries @ 1st April 2013	13,007
Total Rateable Value @ 1st April 2013	£326.3 million
Total Number of entries @ 31st March 2014	13,207
Total Rateable Value @ 31st March 2014	£328.2 million

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 2013/14 compared with the actual figures for 2012/13.

Period	Actual 2012/13	Target 2013/14	Actual 2013/14			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	Whole VJB Area
0-3 months	<b>77.1%</b>	80%	76%	86%	80%	<b>78.36%</b>
3-6 months	<b>14.1%</b>	14%	14%	8%	8%	<b>12.11%</b>
>6 months	<b>8.8%</b>	6%	10%	6%	13%	<b>9.53%</b>

Although, collectively, not all of our targets were achieved, performance was maintained at similar levels to recent years. This continued high level of performance was achieved despite significant numbers of retrospective requests for new entries to be made in the valuation roll at one particular caravan park in Argyll – a matter over which we have no control. A similar situation now exists in respect of self-catering units with recent changes to Council Tax charging regimes encouraging owners of second and empty homes into making their properties available for short term holiday lets. Again we often only get notice of this once time has elapsed and the individual has incurred Council Tax payment arrears. It is difficult to quantify but NDR performance is also likely to have been affected by the re-direction of resource to deal with the Council Tax review exercise in Bishopbriggs (see below). Performance in relation to service provision since the inception of the Best Value regime is shown below.



# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

The Divisional Assessors have committed to further reviews of the ways in which we work in an attempt to return our performance levels to those of a few years ago.

### **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 2013/14 year and these remain outstanding.

### **2005 Running Roll Appeals**

At the start of 2013/14, 41 'Running Roll' appeals were outstanding from the 2005 Valuation Roll.

The majority of these relate to entries for Mobile Telecommunication Networks. During 2012/13 the Lands Tribunal had heard 'sample' or 'lead' cases in respect of Mobile Telecommunications subjects with the decision going against the Assessors' approach in all respects. That decision was appealed to the Lands Valuation Appeal Court and the case was heard in March 2014, with the outcome still unknown at the year end. A further, smaller, group of appeals relate to Canals and they are likely to be progressed following a recent decision in England. Progress in relation to appeals for the gas utility subjects is dependent upon outcomes in England and Wales.

### **2010 Revaluation**

The 2010 Revaluation took effect from 1st April 2010.

Following a commitment given by Scottish Ministers in 2007, the rate poundage for 2013-14 in Scotland was set to match the rate set for England at 46.2p.

### **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 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 2013/14, 573 Revaluation appeals were outstanding. To facilitate the disposal of these appeals, Valuation Appeal Committee Hearings were scheduled throughout the year by arrangement with the relevant Secretary/Assistant Secretary to the Panels.

During the year 528 appeals were disposed of leaving 45 which have been referred to the Lands Tribunal. Of the Revaluation appeals disposed of to date 2,376 (71%) have been withdrawn and 970 (29%) resulted in adjustments being made to the rateable value.

The outstanding appeals 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. At the statutory deadline for referring these appeals, the 2005 appeals regarding Mobile Telecommunications had not been resolved thereby requiring the Assessor to seek referral of several appeals. This had not been planned for and resulted in unbudgeted expenditure on referral fees of £12,200. At a recent meeting between the Lands Tribunal and representatives of the parties involved a draft timetable of hearings was established for the coming months and years.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

### **2010 Running Roll Appeals**

At the start of the 2013/14 financial year 1,789 running roll appeals were outstanding, almost all of which also had to be disposed of by 31<sup>st</sup> of December 2013. During the year a further 156 appeals were submitted. 1,756 appeals were disposed of leaving 189 outstanding. This is a very high level of appeal disposal activity which should also be borne in mind when considering the above KPI performance levels. Of the appeals disposed of within the year 95.5% were withdrawn without any adjustment.

54 outstanding running roll appeals have been referred to the Lands Tribunal whilst the others are likely to be settled by negotiation or local Valuation Appeal Committee hearing over the coming year.

### **Scottish Government Consultation – “Supporting Business – Promoting Growth”**

In November 2012 the Scottish Government Finance Secretary, Mr John Swinney, announced the delay of the scheduled 2015 NDR Revaluation to 2017 and issued a consultation on the future of the Non-Domestic Rating system.

The Government’s response to the Consultation was published on 4<sup>th</sup> September 2013. Most significantly, the response confirmed that the current property based tax system will be retained. Other outcomes and actions relate to Scottish Government policy, the powers of local authorities, the various systems of relief and exemption and the general transparency of the system.

Matters which specifically affect the Valuation Joint Board/Assessor include commitments to provide rateable values to the public well in advance of the 2017 Revaluation and to undertake a separate review of the appeals system. It has subsequently been confirmed that the review of the appeals system will take place during 2014.

## **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**

Activity in the housing sector during the year to 31st March 2014 has resulted in a net increase in the number of dwellings shown in the Council Tax List.

Total Number of entries @ 1st April 2013	142,147
Additions during year to 31st March 2013	1,074
Deletions during year to 31st March 2014	628
Total Number of entries @ 31 <sup>st</sup> March 2014	142,593



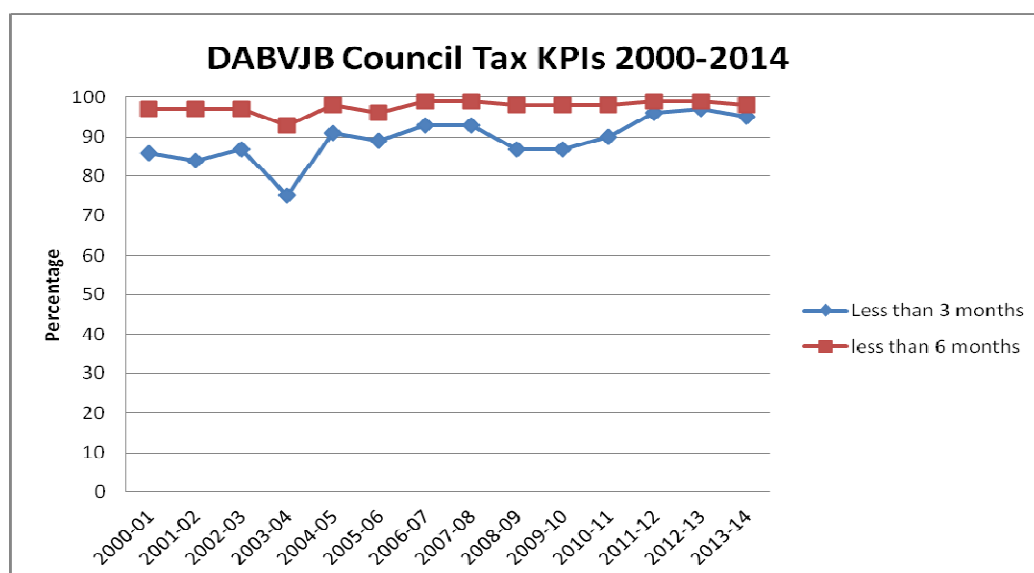
# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

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 2013/14 compared with the actual figures for 2012/13 and shows that our targets at both 3 and 6 months were achieved and our performance levels were sustained in line with those of recent years. I have previously questioned the sustainability of these levels of performance but they have been achieved despite the various pressures referred to elsewhere in this report.

Period	Actual 2012/13	Target 2013/14	Actual 2013/14			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	Whole VJB Area
0-3 months	<b>96.5%</b>	95%	93%	98%	99%	<b>95%</b>
3-6 months	<b>2.2%</b>	3%	5%	2%	1%	<b>3%</b>
>6 months	<b>1.3%</b>	2%	3%	0%	0%	<b>2%</b>

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



## **Proposals and Appeals**

Consequent to a number of Valuation Appeal Committee decisions, which reduced the band applied to a number of semi-detached houses in the Woodhill area of Bishopbriggs, the band applied to a significant number of the 'as built' un-extended semi-detached 3-bedroom houses in that area became unsustainable. The issue came to the attention of the local press and elected members and, having provided updates and information for the members and officials of East Dunbartonshire Council, we agreed to pro-actively review the bands of all affected houses in the area. This involved both desk exercises and the inspection of hundreds of houses.

A target of completing the review prior to February 2014, when EDC prepares the data for the following year's Council Tax billing, was established and met. Approaching 400 subjects had their band reduced during this period which was significantly fewer than the published suggestion of nearer 1000 requiring amendment. Completion of the task required the redirection of a significant resource internally and had a direct effect on other measured areas of performance. The associated publicity also resulted in significantly higher numbers of proposals being submitted during the year than would normally be the case.

114 proposals and appeals were outstanding at the start of 2013/14 and 485 were submitted during the year. In the same period, 444 were disposed of, leaving 155 outstanding.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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.

### **Published Electoral Register**

The main theme in Electoral Registration during 2013/14 was the introduction of Individual Electoral Registration (IER) and, as part of the planning for that transition; the annual electoral canvass was moved from its normal time to the period between November 2013 and March 2014.

The canvass was completed on schedule and the statutory deadline in relation to the publication of the Electoral Registers by 10<sup>th</sup> March was achieved.

Canvass forms were initially issued to 139,215 households with a first reminder being sent to 54,364 addresses. Second reminders were split into two groups with 830 being sent to households which could not be canvassed such as overseas addresses and residential establishments and the majority being issued via a door-to-door canvass. Once again, the approach taken to the door-to-door canvass was to visit properties after secondary checks of the registers against other data sources had been made. The canvassers were trained to give help and advice to householders and encouraged to ingather completed forms. 11,539 households were visited by canvassers and 1,691 forms were returned by this method.

The final return at the conclusion of the canvass was 93.84%, of which 25.63% were householders who made their returns by telephone, short message service (text message) or internet and 1.21% were returns via canvassers. This return rate was slightly up on the 93.74% return in 2012, 92.42% in 2011, 92.28% in 2010 and 92.12% in 2009. The total return by Council area is shown below:-

Argyll & Bute Council	95.63%
East Dunbartonshire Council	95.40%
West Dunbartonshire Council	90.30%
<b>VJB Area</b>	<b>93.84%</b>

Elector take-up of the telephone, internet and short message service/text reply facilities for 'No Change' returns has varied since start-up with the return via these services representing 25.63%% of the total return this year.

<b>Method of Return</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013/14</b>
Telephone	12,172	16,554	14,196	15,076	16,074	16,589	14,630	14,367	14,078
Internet	5,363	8,849	9,244	9,554	11,348	13,404	15,252	14,037	16,003
SMS/text				2,410	3,176	5,222	5,812	5,738	5,595

The number of changes to the Register during the 2013/14 canvass period was as follows: -

Elector Additions	14,513
Elector Deletions	11,996
<b>Total Electorate @ 10<sup>th</sup> March 2014</b>	<b>221,453</b>

The total electorate figure at 10<sup>th</sup> March shows a continuing rise in the number of electors contained in the published register from the low point in 2009.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

<b>Year</b>	<b>No of Electors</b>
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

The full Electoral Register can only be provided for certain limited statutory purposes, while an Edited Register can be sold to anyone for any purpose. Electors must advise the Electoral Registration Officer annually if they wish their name to be removed from the edited version. A change to the canvass form design to clarify the electors' requirement to make a positive decision each year, which was introduced in 2011, is probably the reason why the number of opted-out electors has dropped over the last three canvasses (see over).

<b>Year</b>	<b>%age of Electors Opted out</b>
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%

The Scottish Independence Referendum (Franchise) Bill set out who is entitled to vote in next year's referendum, and included provisions to enable 16 and 17 year olds to vote. This extension to the franchise had to be taken into account during the canvass. The normal household canvass form allowed for the collection of information on those who were already 16 or 17 years old but a separate "young person" form was included with the 2013/14 annual canvass form to be populated with details of any known 15 year old resident at an address. This part of the canvass led to the creation of a Young Person Register on 10<sup>th</sup> March. At creation there were 5,192 individuals registered who would be aged 16 or 17 on the referendum date of 18<sup>th</sup> September.

### **Absent Voters**

With the exception of 2008 when there was a legislative change affecting absent voting procedures, the number of Absent Voters on the Register had been on the increase in recent years.

<b>Year</b>	<b>No of Absent Voters</b>
2012	29,501
2011	29,076
2010	27,365
2009	24,899
2008	23,095
2007	24,045

This pattern was interrupted this last year when a refresh of the Personal Identifiers (PIs) of the majority of Absent Voters was required by statute. Originally timetabled to take place in January 2014, this refresh was also re-scheduled to allow for IER preparations. As a result, it took place in August 2013.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

A request to refresh PIs was sent to 18,032 absent voters and, whilst the majority of absent voters returned their refreshed PIs, a total of 2,006 Absent Votes were cancelled by virtue of no return having been made within the required timetable.

By the end of the canvass the total number of Absent Voters was 27,176.

### **Rolling Registration**

The process of dealing with applications for changes to the Register continued outwith the canvass period and, using sources such as Council Taxpayer records, a pro-active approach to change information was adopted. The changes to the Electoral Register between January and December 2013 were as follows: -

Elector Additions	8,889
Elector Deletions	14,940
Total Amendments	23,829

### **Electoral Administration**

The Local Electoral Administration (Scotland) Act 2011 established a formal role for the Scottish Electoral Management Board in co-ordinating electoral administration. Mary Pitcaithly, Returning Officer for Falkirk Council is the Convenor of the Board. The Board has three Electoral Registration Officer members and in August my nomination as a Board member was accepted.

The Electoral Management Board has provided guidance and direction in the preparations for the May 2014 European Parliamentary elections.

### **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.

In 2012 the Electoral Commission reviewed its approach to the collection of performance information with self-assessments having to be submitted in advance of the annual canvass and the statistical data being submitted following the publication of the revised register.

The Electoral Commission ratified the Joint Board's self-assessment as performing 'Above the Standard' in 6 of the 10 standards and 'Meeting the Standard' in the remaining 4.

As part of the preparations for IER, the Electoral Commission devised two new performance standards related to the transition to IER.

Performance Standard 1 required EROs to illustrate that they understood the challenges in their registration areas and that they had 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 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. In particular, they thought that it was positive to see that whilst some target groups had been identified as being common to all three areas, niche groups had also been identified and subsequently considered in the work done on the various contact channels highlighted in the strategy template. It was also evident that time and thought had been given to building a good range of partners and a good mix of media/advertising contacts. Accordingly, the Commission was happy 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.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

### **Elections**

Unusually in the context of recent and forthcoming years, there were no national elections during the 2013/14 year. Neither were there any local by-elections, though we did provide registers for Community Council elections in Argyll & Bute.

As the year ended, however, preparations for the May 2014 European Parliamentary elections the Independence Referendum in September, National Park elections in July, local by-elections and local Community Council elections were all under way.

### **Individual Electoral Registration (IER)**

The Electoral Registration and Administration Act 2012 received Royal Assent on 31<sup>st</sup> January 2013, though swathes of the secondary legislation required to implement IER were passed throughout the year.

The transition to IER involves a 'Confirmation' stage where existing Electoral Registers will be matched against the Department of Work and Pensions' (DWP) data and where matches are made individuals will not be required to submit individual applications/personal details. Where matches are not achieved a 'write-out' process, similar to an annual canvass, will result in the issue of Household Enquiry Forms (HEFs) and/or Invitations to Register forms (ITRs) to households and individuals seeking submission of their details, including their Dates of Birth and National Insurance numbers.

As referred to above, one of the side effects of the transition planning was to move the annual canvass in 2013 to permit a 'Confirmation Dry Run' of data matching with the Department of Work and Pensions. The aim of the trial was to allow planning to take place before the live transition to individual electoral Registration in 2014.

Data was sent to the DWP on the allotted day of 2nd August 2013 and the results were delivered 5 days later to our Electoral Management System (EMS). Electors were given a red, amber or green rating. A green match indicated a positive match between existing registers and the DWP data, amber indicated a possible/partial match and a red match indicated that no match could be found. Some contextual information was also provided to inform us what for example had failed, e.g. address. The results of our CDR are as follows:

<b>Percentage Match to DWP Data</b>			
	<b>Green</b>	<b>Amber</b>	<b>Red</b>
Argyll & Bute	67%	13%	20%
East Dunbartonshire	80%	5%	15%
West Dunbartonshire	72%	9%	19%

We then had the option of conducting additional local data matching. This allowed us to confirm additional electors using local sources of data such as council tax or housing benefit data. We ran a matching exercise against council tax data. This increased the positive results:-

<b>Percentage Match following Local Data Matching</b>			
	<b>Green</b>	<b>Amber</b>	<b>Red</b>
Argyll & Bute	79%	8%	13%
East Dunbartonshire	87%	3%	10%
West Dunbartonshire	84%	4%	12%

These outcomes did help inform planning and budgetary decisions for 2014/15, though the greatest unknown at this stage is how the public will react to the system in general and the various new forms in particular.

Another area of planning activity for IER was in preparing the necessary secure ICT connections to the Government Digital Service. A successful 'ping test' was completed but ongoing changes to create a Public Secure Network (PSN) across the local government community continue to be one of the most significant risks to the roll out of the IER regime.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

One consequence of the occurrence of the Referendum on Scottish Independence is that the implementation of IER was held back in Scotland until after the referendum. Thus it is possible that they may be lessons learned from the 'go-live' of this project in England and Wales in June which we can accommodate before going live on 19<sup>th</sup> September 2014.

A whole host of related activities including Electoral Management System upgrades, training and process planning were ongoing during 2013/14 and these will continue until the IER regime goes live. This planning activity was aided by the secondment of our Principal Administrative Officer, June Nelson-Hamilton, to the post of Regional Delivery Manager in the Cabinet Office Project on a part-time basis.

The majority of the change being implemented for IER is being financed, in the early years at least, through direct grant from the Cabinet Office. The unknowns of the regime, however, made financial projections for 2014/15 very difficult indeed and the funding of the regime in the longer term is a significant uncertainty.

### **Referendum on Scottish Independence**

The 'Edinburgh Agreement' which was signed in October 2012 paved the way for The Scottish Independence Referendum Act and the Scottish Independence Referendum (Franchise) Act which establish the rules for the conduct of the referendum which is to be held on 18<sup>th</sup> September 2014. The latter contains the provision for the extension of the franchise to 16 and 17 year olds by way of a Register of Young Voters.

As referred to above, a Young Persons Register was created following the 2013/14 canvass and by the end of the financial year it had moved to a maintenance phase with updates taking place monthly in line with the electoral register. Outreach work was ongoing and particular planning attention has been given to student electors who may move address around the last date for registration (2<sup>nd</sup> September 2014).

## **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 14 PCs/laptops to replace obsolete devices.

It was previously reported that we were experiencing intermittent issues with connection to, and network performance in, our Campbeltown office and that we were initiating a full review of the move to broadband. Unfortunately, uncertainties relating to the WDC ICT 'Modernisation Programme' prevented us from reinstating a fixed line to Campbeltown and we have continued to have performance and connectivity issues throughout the year. The implementation of additional broadband lines during the year, and their aggregation, has only had limited benefits. Steps are being taken with WDC to escalate the matter as the failure to improve our communications links with Campbeltown forms a significant risk to the implementation of systems related to IER.

As referred to above we successfully completed the first stage of connecting to the Government Digital Service, which will underpin the new IER system, in late 2012/13 but changes to the requirements have led to difficulties in connecting in recent months. The main issue has been the Cabinet Office requirement to move to the developing Public Sector Network, a move which requires both accreditation (through WDC) and a physical move to the new network. At the time of reporting the former had been achieved but not the latter.

Our Electoral Management System had several upgrades applied to provide the functionality required for both IER and the extension of the franchise for the Scottish Independence Referendum and this will continue into 2014/15.

Internal initiatives included the development of an improved Equalities and Training database and a significant review of the information held on our website to ensure compliance with the revised Freedom of Information regime – see later.

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## **3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY (Cont'd)**

### **Scottish Assessors Association Web Site**

Throughout the year, staff continued to actively participate in the project's Management Committee, Project Team and Working Group to enhance the SAA web portal ([www.saa.gov.uk](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.

With central funding of the portal having come to an end, development activity in relation to the portal has, again, remained at low levels during 2013/14 with development being focussed fine tuning of the site rather than in delivering significant enhancements or additional functionality.

Progress has been made in specifying a suite of data improvements to assist Scottish Government analysis of Scotland-wide Valuation Roll data and funding has been agreed. The development and population of the fields will be a significant task during 2014/15.

## **3.2 BEST VALUE**

### **Key Performance Indicators and Public Performance Reporting**

Performance in respect of Valuation Roll and Council Tax Key Performance Indicators is reported above. Our 2012/13 Public Performance Report was published during 2013/14 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 2013/14:-

- In-year amendments to the 2011-2014 Service Plan and an Annual Service Calendar for 2013/14 were approved by the Valuation Joint Board in June 2013. The Management Team regularly reviews progress against these plans. Further, a new Service Plan for the period 2014-17 was drafted during the year and will be presented to the Joint Board for approval in June 2014.
- The Reporting Framework was amended to include new reports which are used for internal and external reporting. A full suite of reports is presented to the Management Team for regular review and/or submitted to external bodies.
- A collated Audit Action Plan was amended to include the recommendations of both the 2012/13 external audit and the 2013/14 internal audit of electoral systems. It is regularly reviewed by the Management Team to reflect actions taken.
- Arising from an Audit recommendation in 2012 a Service Level Agreement for the provision of support services by West Dunbartonshire Council was agreed and approved by the Joint Board in November 2013.
- The Management Team regularly reviews the approved Risk Action Plan, and the Risk Register is reviewed annually. An IER Risk Register was developed and incorporated into the 'corporate' Risk Register.
- 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.

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.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

### **Risk Management**

The Joint Board's Risk Register and Action Plan are revised annually. Additions to the Register during the year were:-

- A recognition that enforced changes to our Electoral Management System in terms of database renewal and system upgrades constitute significant risks going forward
- The risks to the organisation of failing to meet our Public Records Act obligations
- As reported above, the ICT Modernisation Programme currently ongoing in West Dunbartonshire Council may have significant effects on VJB, including PSN compliance.
- In the longer term, the outcome of the Independence Referendum may have significant effects on the duties and functions of the Valuation Joint Board.

Aside from the last addition above, where little can be done until the outcome is known, all risks have planned actions to mitigate or minimise the risk and progress against the Action Plan is regularly monitored at Management Team meetings.

A significant addition to our Risk Management process has been the development and maintenance of a Risk Register and Action Plan for the implementation of IER.

### **Audit**

During the year, the final 2012/13 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 2013, concluding that they give a true and fair view of the financial position of the Board. They were also prepared in accordance with relevant and regulatory requirements, including the Local Government (Scotland) Act 1973 and the 2012/13 Code of the affairs of the body.

The report did highlight four key risks to the operations of the Joint Board and recommended actions as follows:-

<b>Risk no.</b>	<b>Risk Identified</b>	<b>Planned Management Action</b>	<b>Responsible Officer</b>
1	Management and the Board should consider the appropriate level of budget setting to ensure that contributions made to the Board by the constituent authorities are set at appropriate levels. Risk - Budgets are not aligned to projected expenditure.	Assessor will work with Treasurer to ensure that Budgets accurately match expenditure	Treasurer
2	There are no SLAs in place to define the support services provided to the Board by West Dunbartonshire Council. Risk - there is insufficient clarity over issues such as service definition, performance measurement, duties, warranties and termination of agreement	Assessor will work with Treasurer to ensure that SLA is presented to the Joint Board	Treasurer/ Assessor & ERO
3	Risk – As the Board use the major financial systems of WDC, transactions involving the Board may not necessarily be subject to appropriate coverage by Internal Audit.	Internal Audit will be asked to ensure that any samples taken while testing financial systems include a representative sample from the Valuation Joint Board.	Treasurer
4	In September 2013 it was recognised that the council tax bands of approximately 1,000 domestic properties within East Dunbartonshire required reassessment to ascertain if their current 'E' band should be reduced to a 'D' band. This will impact on the workload of valuation staff. Risk - the Board may find it difficult to deliver its statutory duties and achieve the targets it has set for its key performance indicators	A specific team has been established to pro-actively tackle the issue in East Dunbartonshire.  Managers will continue to monitor performance in all areas of operation and re-apply resources as deemed fit.	Assessor & ERO  Assessor & ERO



# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

I can confirm that the 2014/15 budget estimates process took a very tight view of proposed expenditure and removed several margins of contingency. Estimating for the unknowns of IER, however, did complicate the matter and only time will tell how accurate the estimates were.

The Joint Board did approve a Service Level Agreement with West Dunbartonshire Council at its meeting in November 2013.

The Treasurer has confirmed that Internal Audit will ensure sampling includes Joint Board transactions.

In respect of the Bishopbriggs review of Council Tax bands, the task was essentially completed in time for East Dunbartonshire Council's billing runs being created in February 2014, though a small number of proposals and appeals remained outstanding at the year end. The re-direction of resources undoubtedly had an effect on other measured areas of performance (see above) though the fantastic efforts of those involved meant that diminution of service delivery was minimised.

During the summer of 2013, Internal Audit carried out a review of our Electoral Registration functions. In their report, which was completed in August, auditors concluded that the systems examined were working effectively. The audit did, however, highlight that opportunities existed to strengthen internal controls and enhance the service provided. The principal concerns related to public inspection of Registers at Public Libraries and to the approach used to upgrade our 'EROS' Electoral Management System.

The statutory obligation on Library staff to supervise members of the public who are inspecting registers was reiterated in a letter to Chief Executives and relevant Directors within the three Councils and direct training was given to staff within West Dunbartonshire Council's Libraries Service.

It is now standard practice that the Electoral Registration ('EROS') system upgrades are applied and tested in the Test system prior to being applied to the Live system.

All other agreed actions contained within the action plan have also been carried out.

All audit actions are collated into one Audit Action Plan which is regularly reviewed for progress and action by the Management Team.

The finances of the Joint Board for 2013/14 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 the budget setting process is aligned to future spending requirements and to assess the effects of the Bishopbriggs Council Tax review on resources and performance.

### **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 (98%) find us professional, courteous and helpful.
- 63% of queries or transactions are completed at the first point of contact and only 2% of matters are not concluded to the satisfaction of the stakeholder.
- Most users of Joint Board services (98%) are satisfied with the information and/or advice provided to them.
- Very high satisfaction levels are being maintained on a year-to-year basis.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

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

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	97.2%
	Non-white	2.8%
Gender	Male	46.8%
	Female	53.2%
Disability	Disabled	12.3%
	Able-bodied	87.7%
Sexual orientation	Heterosexual	97.6%
	Other	2.4%
Marital status	Married	69%
	Never Married	11.6%
	Other	19.4%
Age	16-21	0.4%
	22-30	4.3%
	31-40	11.7%
	41-50	19.9%
	51-60	27.4%
	61-65	10.30%
	66-70	10.30%
	70+	15.7%

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

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 2013/14 with all but 1 of these related to Electoral Registration. The key theme which arose from the Electoral Registration complaints was dissatisfaction with the wording on envelopes sent out with the annual canvas forms however this has to be put in the context of over 190,000 forms being issued to householders. Further, with the introduction of Individual Electoral Registration, the next major write out will be required to use envelopes with a prescribed set of wording so reacting directly to the complaints will not be possible.

All complaints were resolved at the frontline resolution stage. Most complaints (14) were resolved on either the day of receipt or the day after and all complaints were resolved within 20 working days. There were no referrals to the Scottish Public Sector Ombudsman.

## **3.3 EQUALITIES**

The Joint Board's Management Team is committed to the equalities agenda.

The Equality Act 2010, which received royal assent in April 2010, replaced existing 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.

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
- Identifies the Board's Equality Outcomes

was submitted to the Equality & Human Rights Commission in April 2013. The document states 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.

Actions will be taken where possible to achieve these outcomes and various reporting mechanisms are in place to monitor progress.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **3.4 STAFFING MATTERS**

### **Development and Training**

The Board's current Staff Development and Training procedures 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 2013/14 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, Data Security and Geographic Information Systems. One member of staff was engaged in the final stages the RICS Assessment of Professional Competence with a view to presenting in May 2014. Formal external training is ongoing for one Trainee Valuer and one Trainee Technician. Two members of the Management Team commenced 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.

### **Personnel Policies**

In June 2013 the Joint Board approved a new Parental Leave Scheme which aims to provide support and assistance to employees with caring responsibilities, particularly for young children.

In November the Joint Board approved a new Attendance Management Policy which replaced the existing Maximising Attendance Policy. The new policy aims to provide staff with more consistency of approach, more support to their health and return to work and removes the referral to disciplinary procedures that existed within the superseded policy.

### **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 introduced an 'Extra Mile Award' during 2010/11. Some excellent nominations were received from staff throughout the 2013/14 year with Senior Valuer Jennifer MacLachlan being selected for the 2013/14 award for her particular attention to 'customer' service.

## **3.5 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 2013, a total of 10 requests which specifically referred to the Freedom of Information Act were received. All were answered within the statutory timescales with the average response being issued in less than 10 days. Information was provided in full for 7 requests, partially for 2 and the requested information was not held for the remaining 1 request. The two partial refusals both cited exemption where the disclosure of the information would substantially prejudice the assessment or collection of any tax or duty. Dealing with such requests took over 27 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.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **3.6 PARTNERSHIPS**

The Valuation Joint Board is actively involved in several partnerships but the most significant of these is the 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. My tenure as President of the Association came to an end in May 2013 though I still serve on the Executive Committee of the Association.

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 2013/14 the Association was heavily involved in consultations relating to legislation, guidance and process design for Individual Electoral Registration and the extension to the franchise for the Referendum on Scottish Independence. The Association also led on 'test' rating appeal cases relating to Mobile Telecommunications Networks and Micro-Hydro Generation plants.

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. It also met regularly with, and acted as a consultative body to, the Scottish Government

The planning for, and provision of, Electoral Registration services is assisted by guidance received from the Electoral Commission and by representation within the EMB and the Association of Electoral Administrators. Implementation of IER will only be achieved through 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. This arrangement has, as reported above, now been formalised by way of a Service Level Agreement.

## **4.0 CONCLUSION**

2013/4 was my tenth year as Assessor and ERO for Dunbartonshire and Argyll & Bute Valuation Joint Board and it was one which was characterised by high levels of appeal activity in relation to our valuation functions and by change, and the prospect of further change, in relation to Electoral Registration and other areas of function.

The statutory date of 31<sup>st</sup> December 2013 for disposal of 2010 Revaluation appeals was always going to ensure that there would be a significant amount of activity during the year but the exceptionally high volumes of 'material change of circumstance' appeals that had been submitted subsequent to the Revaluation meant that the scheduling for disposal was like little that had been seen before, in recent years at least.

More unexpected was the need to review a whole tranche of Council Tax bands in one area of Bishopbriggs. This exercise, which arose from a combination of Valuation Appeal Committee decisions and local press activity, diverted resources from our general maintenance activity and undoubtedly had an effect on other areas of performance.

Despite that our measured performance remained at high levels and our customer satisfaction levels were excellent. I must thank all the staff involved in providing the valuation services, both technical/professional and their clerical/administrative support, for their efforts throughout the year.

Our Electoral Registration functions were affected by, and concentrated on, the preparations for the implementation of IER and it is to the credit of all staff involved that we completed the revised canvass and publication of registers with improved outcomes and carried out the Personal Identifier refresh for Absent Voters within the relevant timetable.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **4.0 CONCLUSION (Cont'd)**

The year ahead will undoubtedly be one of the most challenging as we adopt new ICT systems and introduce the new processes required to implement IER. The biggest challenge of all may be the public and their reaction to requests for Personal Identifier information such as date of birth and National Insurance Numbers and our follow-up activities are likely to be multiplied several-fold. The co-operation of staff will be essential as we move through this transitional year and into the revised 'Business-as-Usual' phase in 2015/16.

Other areas of function which have changed over the last year include aspects of the Freedom of Information and Equalities regimes and, on as well as these externally driven changes, the Management Team was added to with the appointments of Depute Assessor & ERO, Robert Nicol and Divisional Assessor, Barry McEwan. I look forward to working with both of them into the future and to their input into the various Management Planning activities carried out by the Management Team.

I would like to take this opportunity to thank the staff, management and members of the Joint Board for their endeavour, effort, co-operation and no shortage of skill throughout the year. We have delivered, and I have no doubt that we will continue to deliver, largely through the application of staff, the planning of managers and the support we get from our partners.

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.

I would also like to thank the Joint Board and, in particular, the Convenor and Vice Convenor for their support.

The forthcoming year is likely to be notable for many reasons, not least the outcome of the Referendum on Independence. We must ensure that we play our part in ensuring that the referendum is delivered in accordance with the legislation and in a manner whereby the result can be trusted. The proximity of that electoral event to the commencement of transition to IER will undoubtedly be challenging and we will have to be prepared.

There is little doubt that these challenges will need to be met within a tight, and tightening, budgetary environment. The challenge for the years ahead will therefore be to ensure that we remain focussed on the statutory nature of our duties and continue to provide the public with efficient services which meet their performance expectations.

David C Thomson  
Assessor and Electoral Registration Office  
24 September 2014

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Foreword by the Treasurer**

The purpose of these financial statements is to provide clear information about the Joint Board's financial position as at 31 March 2014. This foreword is intended to give the reader an easy to understand guide to the most significant matters reported in the financial statements.

## **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 Joint Board's 2013/14 budget was constructed to break even using £85,528 of balances.

The Valuation Joint Board's financial position at 31 March 2014 may be summarised as follows:

	<b>Budget £</b>	<b>Actual £</b>	<b>Variance £</b>
Net Expenditure	2,749,988	2,555,394	(194,594)
In-year Constituent Contribution	(2,664,460)	(2,664,460)	0
<b>Overall (surplus)/ deficit</b>	85,528	(109,066)	(194,594)
Use of Reserves	(85,528)	0	85,528
<b>Final Net reduction to general reserves balance</b>	<b>0</b>	<b>(109,066)</b>	<b>(109,066)</b>

The above variance analysis is a restatement of the Comprehensive Income & Expenditure Statement (page 33) and the Movement in Reserves Statement (page 31). In order to reconcile the Net Expenditure/Income (above) to these statements the Net Cost of Service of £2,732,909 plus Finance Investment Income of £172,683 less Government Grant Income of £50,475 less Total Statutory Adjustments of £299,723 (page 31) equals £2,555,394.

The major variances were as follows:

	<b>Variance £</b>	<b>Comments</b>
Employee Costs	114,873	This underspend is mainly due to delaying and non filling of employee vacancies; delayed progression through formal training and no early retirements or severance payments.
Property	17,934	This underspend is due to lower than anticipated expenditure on energy and repairs and maintenance.
Supplies and Services	38,899	This underspend is across a number of headings (such as postages, computer licences, telephones, printing and stationery).

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Foreword by the Treasurer (Cont'd)**

### **Balance Sheet**

The balance sheet is shown on page 34 and features an assessed pension fund liability of £4.544m based on the valuation of the fund at 31 March 2014. 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 75% 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 means that the financial position of the Board remains assured.

The pension scheme net liability has increased by £0.734m 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's contributions provide sufficient security and income to meet future pension liabilities.

On 1 April 2013, the Board implemented a change of accounting policy relating to the June 2011 amendments to the accounting standard IAS 19 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

### **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 (13/14 £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 2014 the Board held total usable reserves of £538,956 (of which £68,362 relates to unapplied capital reserves). With the remaining balance comprising revenue reserves of £470,594. Once the earmarked balances (£72,745) have been accounted for, this leaves £397,849 of general reserves for future use (including £100,000 prudential reserve above).

### **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.

### **Acknowledgement**

The production of the Annual Financial Statements is very much a team effort and I wish to record my thanks to both my own staff and to colleagues within the Joint Board whose efforts have contributed to the completion of these financial statements.

Stephen West  
Treasurer  
24 September 2014



# **DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS**

## **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**

Year ended 31 March 2014						2012/2013
	Gross Salary, Fees & Allowances £	Bonuses £	Taxable Expenses £	Non-cash expenses & benefits in-kind £	Total remuneration £	Total remuneration £
David Thomson Assessor & Electoral Registration Officer	92,039	0	0	0	92,039	92,267
Alistair Boyd Depute Assessor (from 01/04/09 to 01/09/13)	33,877	0	0	0	33,877	75,456
Robert Nicol Depute Assessor (from 30/09/13 to present)	33,813	0	0	0	33,813	0

### **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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.

<b>Remuneration Bands</b>	<b>£</b>	<b>Number of Employees</b>	
		<b>2013/2014</b>	<b>2012/2013</b>
50,000 - 54,999		2	2
70,000 - 74,999		0	1
90,000 - 94,999		1	1
<b>Total</b>		<b>3</b>	<b>4</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)**

	<b>For year to 31 March 2014</b>	<b>For year to 31 March 2013</b>
	<b>£</b>	<b>£</b>
David Thomson	17,764	17,547
Alistair Boyd	6,538	14,038
Robert Nicol	6,526	0

	<b>Accrued pension benefits – pension</b>		<b>Accrued pension benefits – lump sum</b>	
	<b>For year to 31 March 2014</b>	<b>For year to 31 March 2013</b>	<b>For year to 31 March 2014</b>	<b>For year to 31 March 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
David Thomson	34,584	32,726	80,795	79,995
Alistair Boyd	36,776	36,232	94,247	94,149
Robert Nicol	20,343	0	42,673	0

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 £19,800 5.50%; above £19,800 and up to £24,200 7.25%; above £24,200 and up to £33,200 8.50%; above £32,200 and up to £44,200 9.50%; and above £44,200 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>24 September 2014</u>	<b>Date:</b>	<u>24 September 2014</u>

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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.

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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Annual Governance Statement (continued)**

### **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 2014;
- 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 2014.

### **Performance Management**

Examples of developments which have led to significant improvement in arrangements for control, governance or risk management within the Joint Board during 2013/14 include:

- Implementation of new Complaints Procedure in line with the PS Ombudsman's Model Scheme.
- Revised 'Ordering, Certification and Payment of Goods & Services procedure'
- Individual Electoral Registration (IER) Risk Register and Implementation Plans developed. IER training opportunities provided.
- Implementation of Service Level Agreement to cover Support Services provided by West Dunbartonshire Council
- Revised Financial Regulations approved by Joint Board
- Approval and Implementation of New Equalities Policy

The following areas were identified by the Assessor for further improvements in 2014/15:-

- Non-Domestic Rating and Council Tax KPI performance has stagnated in recent years
- Improve accountability of officers to Joint Board.
- Improve Security of ICT network/ communications.
- Risk of IER Transition and thereafter
- Ensure that all relevant staff are compliant with the requirements of their Job Description/Person Specification

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Annual Governance Statement (continued)**

### **Assurance**

On the basis of the assurance provided, we consider the governance and internal control environment operating during 2013/14 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>	<u>24 September 2014</u>	<b>Date:</b>	<u>24 September 2014</u>

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Movement in Reserves Statement**

**2013/14**

	<b>Usable Reserves</b>		<b>Unusable Reserves</b>				
	<b>Fund Balance £</b>	<b>Capital Requisition Unapplied Account £</b>	<b>Capital Adjustment Account £</b>	<b>Revaluation Reserve £</b>	<b>Pension Reserve £</b>	<b>Statutory Mitigation Account £</b>	<b>Total Reserves £</b>
<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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Movement in Reserves Statement**

**2012/13**

	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 2012</b>	<b>498,136</b>	<b>161,862</b>	<b>736,792</b>	<b>85,152</b>	<b>(2,823,000)</b>	<b>(16,793)</b>	<b>(1,357,851)</b>
<b>Movements in Reserves</b>							
Surplus or (Deficit) on provision of Services	(312,752)	0	0	0	0	0	(312,752)
Other Comprehensive Income and Expenditure	0	0	0	0	(842,000)	0	(842,000)
<b>Total Comprehensive Income and Expenditure</b>	<b>(312,752)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(842,000)</b>	<b>0</b>	<b>(1,154,752)</b>
<b>Adjustments between accounting basis &amp; funding basis</b>							
Depreciation/ Impairment	33,678	0	(33,678)	0	0	0	0
Pension Scheme Adjustment	145,000	0	0	0	(145,000)	0	0
Net Transfer to or from earmarked reserves required by legislation	(2,534)	0	0	0	0	2,534	0
Capital requisitions applied to fund capital expenditure	0	(84,374)	84,374	0	0	0	0
Capital requisitions unapplied	0	0	0	0	0	0	0
<b>Total Statutory Adjustments</b>	<b>176,144</b>	<b>(84,374)</b>	<b>50,696</b>	<b>0</b>	<b>(145,000)</b>	<b>2,534</b>	<b>0</b>
<b>Increase/Decrease in Year</b>	<b>(136,608)</b>	<b>(84,374)</b>	<b>50,696</b>	<b>0</b>	<b>(987,000)</b>	<b>2,534</b>	<b>(1,154,752)</b>
<b>Balance at 31 March 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>Total Usable</b>		<b>439,016</b>	<b>Total Unusable</b>				<b>(2,951,619)</b>

Note: The 2012/13 figures have been restated due to the changes in Accounting Policy pertaining to IAS 19 Post Employment Benefits. Note 17 provides an explanation of the adjustments to prior year's figures.

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

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

### Comprehensive Income and Expenditure Statement

2012/13 Gross Expenditure £	2012/13 Gross Income £	2012/13 Net Expenditure £		Notes	2013/14 Gross Expenditure £	2013/14 Gross Income £	2013/14 Net Expenditure £
0	(31,476)	(31,476)	<b>Income</b>				
			Customer Receipts		0	(29,662)	(29,662)
			<b>Expenditure</b>				
2,085,851	0	2,085,851	Staffing Costs		2,160,701	0	2,160,701
102,898	0	102,898	Property Costs		102,351	0	102,351
44,133	0	44,133	Transport Costs		46,528	0	46,528
203,422	0	203,422	Supplies & Services		252,812	0	252,812
29,194	0	29,194	Payment to Other Bodies		34,178	0	34,178
136,055	0	136,055	Support Services		130,812	0	130,812
			Depreciation, Amortisation & Impairment			0	
33,678	0	33,678		5/6	86,879		86,879
<b>2,635,231</b>	<b>(31,476)</b>	<b>2,603,755</b>	<b>Net Cost of Service</b>		<b>2,814,261</b>	<b>(29,662)</b>	<b>2,784,599</b>
		(2,426,145)	Revenue Contributions	14			(2,664,460)
		<b>0</b>	Government Grants	15			(50,475)
		<b>(2,426,145)</b>	<b>Other Operating Income</b>				<b>(2,714,935)</b>
		<b>177,610</b>	<b>Net Operating Income</b>				<b>69,664</b>
		(858)	Interest Earned				(317)
		136,000	Net Interest on the net defined benefit liability/(assets)	3			173,000
		<b>0</b>	Capital Contributions				<b>0</b>
		<b>135,142</b>	<b>Finance and Investment Income and Expenditure</b>				<b>172,683</b>
		<b>312,752</b>	<b>(Surplus)/Deficit on provision of services</b>				<b>242,347</b>
		842,000	Remeasurement of the net defined benefit liability/(assets)	3			475,000
		0	(Surplus)/Deficit arising on the revaluation of Property, Plant and Equipment				60,533
		<b>842,000</b>	<b>Other comprehensive Income &amp; Expenditure</b>				<b>535,533</b>
		<b>1,154,752</b>	<b>Total Comprehensive Expenditure</b>				<b>777,880</b>

Note: The 2012/13 figures have been restated due to the changes in Accounting Policy pertaining to IAS 19 Post Employment Benefits. Note 17 provides an explanation of the adjustments to prior year's figures.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Balance Sheet**

2012/13 £	Notes		2013/14 £
872,973	5	Property, plant and equipment	734,687
<u>872,973</u>		<b>Total Long Term Assets</b>	<u>734,687</u>
876,171	7	Short Term Debtors	644,539
400	8	Cash and Cash Equivalents	400
<u>876,571</u>		<b>Current Assets</b>	<u>644,939</u>
(452,147)	9	Short Term Creditors	(126,109)
<u>(452,147)</u>		<b>Current Liabilities</b>	<u>(126,109)</u>
(3,810,000)	3	Net Pensions Liability	(4,544,000)
<u>(3,810,000)</u>		<b>Long Term Liabilities</b>	<u>(4,544,000)</u>
<u><u>(2,512,603)</u></u>		<b>Net Assets/(Liabilities)</b>	<u><u>(3,290,483)</u></u>
<b>Represented by:</b>			
439,016	10/11	Usable Reserves	538,956
(2,951,619)	12	Unusable Reserves	(3,829,439)
<u>(2,512,603)</u>		<b>Total Reserves</b>	<u><u>(3,290,483)</u></u>

The unaudited Financial Statements were issued on 27 June 2014 and the audited accounts were issued for issue on 24 September 2014.

**Stephen West**  
Treasurer  
24 September 2014

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Cash Flow Statement**

<b>2012/13</b>			<b>2013/14</b>
<b>£</b>	<b>Notes</b>		<b>£</b>
		<b>Operating Activities</b>	
(2,719,460)		Grants	(2,714,935)
(31,476)		Sale of goods and rendering of services	(29,662)
<u>(2,750,936)</u>		Cash Inflows from Operating Activities	<u>(2,744,597)</u>
2,095,203		Cash paid to and on behalf of employees	2,400,739
574,869		Other payments for operating activities	335,049
<u>2,670,072</u>		Cash Outflows from Operating Activities	<u>2,735,788</u>
<u><b>(80,864)</b></u>		Net Cash Flows from Operating Activities	<u><b>(8,809)</b></u>
		<b>Investing Activities</b>	
81,721		Purchase of Assets	9,126
0		Other receipts from investing activities	0
<u><b>81,721</b></u>		Net Cash Flows from Investing Activities	<u><b>9,126</b></u>
		<b>Financing Activities</b>	
(857)		Interest Received	(317)
<u><b>(857)</b></u>		Net Cash Flows from Financing Activities	<u><b>8,809</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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 2014. 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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 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 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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 2013</b>		<b>31 March 2014</b>
<b>£</b>		<b>£</b>
20,300	Not later than one year	20,300
77,600	Later than one year and not later than five years	75,825
35,226	Later than five years	16,979
<b>133,126</b>		<b>113,104</b>

Note: The 2012/13 figures have been restated due to the accountancy treatment of accommodation leases.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 2013</b>		<b>31 March 2014</b>
<b>£</b>		<b>£</b>
5,976	Not later than one year	4,506
8,912	Later than one year and not later than five years	4,500
0	Later than five years	0
<b>14,888</b>		<b>9,006</b>

Note: The 2012/13 figures have been restated due to the accountancy treatment of the accommodation lease and other operating leases.

### **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 2012/13 was 19.3%, and 2014/15 is set at 19.3%. In 2013/14, the Board paid an employer's contribution of £0.294m (2012/13 £0.289m).

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 2013/14 (2012/13 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 ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Note 3 – Defined Benefit Pension Schemes (Cont'd)**

<b>2012/13 £000</b>		<b>2013/14 £000</b>
	<b>Net cost of services</b>	
304	Current service cost	387
<b>304</b>		<b>387</b>
	<b>Financing and investment Income and Expenditure</b>	
136	Net Interest	173
<b>136</b>		<b>173</b>
	<b>Total post employment benefit charged to the Surplus or Deficit on the provision of Services</b>	
<b>440</b>		<b>560</b>
(1,103)	Return on plan assets	(285)
	Actuarial gains and losses arising on changes in financial	
1,961	Assumptions	765
(16)	Actuarial gains and losses arising on experience assumptions	(5)
<b>1,282</b>	<b>Total post employment benefit charged to the comprehensive income and expenditure statement</b>	<b>1,035</b>
	<b>Movement in Reserves Statement</b>	
(440)	Reversal of net charges made to surplus of deficit for post employment benefits	(560)
	<b>Actual amount charged against the General Fund balance in the year</b>	
<b>295</b>	Employer contributions payable to Scheme	<b>301</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>2013/14 £000</b>	<b>2012/13 £000</b>
Fair value of plan assets	13,656	12,694
Present Value of defined benefit obligations	(18,043)	(16,352)
<b>Net (liabilities)/assets in the Strathclyde Pension Fund</b>	<b>(4,387)</b>	<b>(3,658)</b>
<u>Present Value of Unfunded Liabilities</u>	<u>(157)</u>	<u>(152)</u>
Pre Local Government Reorganisation		
<b>Net pension asset/(liability)</b>	<b>(4,544)</b>	<b>(3,810)</b>

For the Strathclyde Local Government Pension Scheme at 31 March 2014 the Board has a net liability £4,387,000 and for the unfunded liabilities a net liability of £157,000. The Board's net liability of £4,544,000 at 31 March 2014 reflects the future obligations to fund retirement benefits. This represents an increase in the net liability of £734,000 compared to the position at 31 March 2013.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 6.7% as at 31/03/14, this is an increase from 4.5% as at 31/03/13.

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>2012/13</b>		<b>2013/14</b>
<b>£000</b>		<b>£000</b>
13,777	Opening balance	16,504
304	Current service cost	387
664	Interest cost	747
104	Contributions by Members	104
1,961	Actuarial gains/losses in financial assumptions	765
(16)	Other Experience	(5)
(6)	Estimated unfunded benefits paid	(7)
(284)	Estimated benefits paid	(295)
<b>16,504</b>		<b>18,200</b>

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

<b>2012/13</b>		<b>2013/14</b>
<b>£000</b>		<b>£000</b>
10,954	Opening balance	12,694
1,103	Expected return on assets	285
528	Interest Income	574
104	Contributions by Members	104
289	Contributions by employer	294
6	Contributions in respect of unfunded benefits	7
(6)	Estimated unfunded benefits paid	(7)
(284)	Estimated benefit paid	(295)
<b>12,694</b>		<b>13,656</b>



# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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 2014 comprised:

<b>Asset Category</b>	<b>31 March 2014</b>			<b>31 March 2013</b>		
	<b>Quoted Prices in Active Markets £000</b>	<b>Prices not Quoted in Active Markets £000</b>	<b>Total £000</b>	<b>Quoted Prices in Active Markets £000</b>	<b>Prices not Quoted in Active Markets £000</b>	<b>Total £000</b>
Equity Securities	4,980	9	4,989	4,606	5	4,611
Private Equity	0	1,288	1,288	0	1,226	1,226
Real Estate	0	957	957	0	814	814
Investment funds and unit trusts	337	5,429	5,766	346	5,239	5,585
Derivatives	3	0	3	(2)	0	(2)
Cash and Cash Equivalent	0	653	653	0	460	460
<b>Totals</b>	<b>5,320</b>	<b>8,336</b>	<b>13,656</b>	<b>4,950</b>	<b>7,744</b>	<b>12,694</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:

<b>31/03/2013</b>		<b>31/03/2014</b>
4.5%	Expected rate of return	6.7%
2.8%	Inflation/pension increase rate	2.8%
5.1%	Salary increase rate	5.1%
4.5%	Discount rate	4.3%

### **Mortality**

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

	<b>Males</b>	<b>Females</b>
Current pensioners	21.0 years	23.4 years
Future Pensioners	23.3 years	25.3 years

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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%	546
Rate for discounting fund liabilities (0.5% decrease )	4%	796
Rate of pension increase (0.5% increase)	7%	1,222

The total employee contributions expected to be made to the Local Government Pension Scheme for 2014/15 is £295,000.

## **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>2012/13</b>		<b>2013/14</b>
<b>£</b>		<b>£</b>
7,722	Fees payable for external audit services	7,722
(441)	Rebate against previous year	0
<b>7,281</b>		<b>7,722</b>

## **Note 5 – Property, Plant and Equipment**

### **Figures 2013/14**

#### **Cost or Valuation**

	<b>Land &amp; Buildings £</b>	<b>Plant &amp; Equipment £</b>	<b>Total £</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>

#### **Accumulated Depreciation and Impairment**

<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	(191,351)
<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>
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<b>Net Book Value at 31 March 2014</b>	<b>698,845</b>	<b>35,841</b>	<b>734,686</b>
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# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Note 5 – Property, Plant and Equipment (Cont'd)**

### **Comparative Figures 2012/13**

	<b>Land &amp; Buildings</b>	<b>Plant &amp; Equipment</b>	<b>Total</b>
	£	£	£
<b>Cost or Valuation</b>			
<b>As at 1 April 2012</b>	<b>807,525</b>	<b>82,890</b>	<b>890,415</b>
Additions	78,519	5,855	84,374
<b>As at 31 March 2013</b>	<b>886,044</b>	<b>88,745</b>	<b>974,789</b>
<b>Accumulated Depreciation and Impairment</b>			
<b>As at 1 April 2012</b>	<b>(45,842)</b>	<b>(24,895)</b>	<b>(70,737)</b>
Depreciation Charge	(14,501)	(16,578)	(31,079)
<b>As at 31 March 2013</b>	<b>(60,343)</b>	<b>(41,473)</b>	<b>(101,816)</b>
<b>Net Book Value at 31 March 2012</b>	<b>761,683</b>	<b>57,995</b>	<b>819,678</b>
<b>Net Book Value at 31 March 2013</b>	<b>825,701</b>	<b>47,272</b>	<b>872,973</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>2012/13</b>		<b>2013/14</b>
£		£
<b>Balance at start of year:</b>		
12,992	Gross carrying amount	0
(10,392)	Accumulated amortisation	0
<b>2,600</b>	<b>Net carrying amount at start of year</b>	<b>0</b>
(2,600)	Amortisation for the period	0
<b>0</b>	<b>Net carrying amount at end of year</b>	<b>0</b>
<b>Comprising:</b>		
12,992	Gross carrying amounts	0
(12,992)	Accumulated amortisation	0
<b>0</b>		<b>0</b>

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Note 7 – Debtors**

<b>2012/13</b>		<b>2013/14</b>
<b>£</b>		<b>£</b>
4,090	Other Entities and Individuals	5,092
872,081	Other Local Authorities	639,447
<b>876,171</b>		<b>644,539</b>

## **Note 8 – Cash and Cash Equivalents**

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

<b>2012/13</b>		<b>2013/14</b>
<b>£</b>		<b>£</b>
400	Imprest	400
<b>400</b>		<b>400</b>

## **Note 9 – Creditors**

<b>2012/13</b>		<b>2013/14</b>
<b>£</b>		<b>£</b>
5,467	Central Government Bodies	27,324
133,586	Other Entities and Individuals	88,199
313,094	Other Local Authorities	10,586
<b>452,147</b>		<b>126,109</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>£</b>
<b>Opening Balance at 1 April 2013</b>	<b>361,528</b>
Gains/(Losses) on the fund	109,066
<b>Closing Balance at 31 March 2014</b>	<b>470,594</b>

The revenue reserves balance stands at £470,594 on 31 March 2014, of which £48,745 was applied to balance the 2014/15 budget and £24,000 earmarked for Electoral Participation and Individual Electoral Participation, leaving an unearmarked balance of £397,849.

The main earmarked income is held for:-

	<b>£</b>
Maximising Registration in under-registered groups (Electoral Participation)	7,927
Change management in the transition to Individual Electoral Registration	16,073
	<b>24,000</b>

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **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.

<b>2012/13</b>		<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>
<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
0	Contributions from Authorities	0		
161,862	Unapplied Capital contributions b/forward		77,488	
0	Capital Financed through Current Revenue		0	
<b>0</b>	<b>Capital expenditure incurred during the year:</b>			<b>77,488</b>
(5,855)	Upgrade PC's		(5,141)	
(78,519)	Upgrade to buildings		(3,985)	(9,126)
<b>77,488</b>	<b>Unapplied Capital contributions c/forward</b>			<b>68,362</b>

## **Note 12 – Unusable Reserves**

<b>31 March 2013</b>		<b>31 March 2014</b>
<b>£</b>		<b>£</b>
787,488	Capital Adjustment Account	709,892
85,152	Revaluation Reserve	24,462
(3,810,000)	Pension Reserve	(4,544,000)
(14,259)	Statutory Mitigation Account	(19,793)
<b>(2,951,619)</b>	<b>Total Unusable Reserves</b>	<b>(3,829,439)</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.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Pension Reserve**

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

## **Statutory Mitigation Account**

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

## **Capital Requisition Unapplied Account**

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

## **Note 13 – Contingent Assets & Liabilities**

The Board has not identified any Contingent Assets and Liabilities.

## **Note 14 – Contributions from Authorities**

<b>2012/13</b>		<b>2013/14</b>
<b>£</b>		<b>£</b>
1,167,098	Argyll & Bute Council	1,281,605
605,290	East Dunbartonshire Council	664,783
653,757	West Dunbartonshire Council	718,072
<b>2,426,145</b>		<b>2,664,460</b>

## **Note 15 – Government Grants**

The Board received a total of £74,475 of government grants in 13/14 for the work carried out by the Principal Admin Officer in her role as Scotland Regional Delivery Manager for Individual Electoral Registration plus other associated costs and for costs associated with the Scottish Independence Referendum. The Board credited £50,475 of grants in 2013/14 as shown below with £24,000 being earmarked for 2014/15.

<b>2012/13</b>		<b>2013/14</b>
<b>£</b>		<b>£</b>
0	Cabinet Office	36,848
0	Scottish Government	13,627
<b>0</b>		<b>50,475</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.

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Note 17 – Explanation of Prior Year Adjustment**

As a result in the changes in Accounting Policy relating to IAS 19 Post Employment Benefits 2012/13 figures have been restated, please refer to Note 3 Defined Benefit Pension Scheme, pages 44 and 48. These changes have had an impact on the 2012/13 Movement in Reserves Statement; Comprehensive Income & Expenditure Statement

The effects of the restatement on the financial statements are showing below (only those lines that have changed are shown):

### **Comprehensive Income and Expenditure Statement**

	<b>As Previously Stated 2012/2013 £000</b>	<b>Amendment 2012/2013 £000</b>	<b>As Restated 2012/2013 £000</b>
Financing and Investment Income and Expenditure	26	(110)	136
(Surplus) or Deficit on the Provision of Services	203	(110)	313
Actuarial (gains) or losses on pension fund assets and liabilities	952	110	842
Other Comprehensive Income and Expenditure	952	110	842

### **Movement in Reserves Statement – Usable Reserves 2012-13**

	<b>As Previously Stated 2012/2013 £000</b>	<b>Amendment 2012/2013 £000</b>	<b>As Restated 2012/2013 £000</b>
(Surplus) or Deficit on the Provision of Services	203	(110)	313
Total Comprehensive Expenditure & Income	203	(110)	313
Adjustments between Accounting basis and Funding Basis under Regulations	35	110	145
Total Statutory Adjustments	66	110	176

### **Movement in Reserves Statement – Unusable Reserves 2012-13**

	<b>As Previously Stated 2012/2013 £000</b>	<b>Amendment 2012/2013 £000</b>	<b>As Restated 2012/2013 £000</b>
(Surplus) or Deficit on the Provision of Services	952	110	842
Total Comprehensive Expenditure & Income	952	110	842
Adjustments between Accounting basis and Funding Basis under Regulations	35	(110)	145
Total Statutory Adjustments	35	(110)	145

# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

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

I certify that I have audited the financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2014 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and Cash-Flow Statement, the related notes and the Statement of Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the 2013/14 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of the Treasurer and auditor**

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2013/14 Code of the state of the affairs of the body as at 31 March 2014 and of the income and expenditure of the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.



# ***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD ANNUAL REPORT AND FINANCIAL STATEMENTS***

## **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 1985; and
- the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

I am required to report to you if, in my opinion:

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

I have nothing to report in respect of these matters.

Elaine Boyd (FCCA)  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow, G2 1BT

25 September 2014

***DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
ANNUAL REPORT AND FINANCIAL STATEMENTS***

# DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

## Report by Treasurer

Valuation Joint Board – 21 November 2014

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### **Subject: Revenue & Capital Budgetary Control Report to 30 September 2014 (Period 6)**

#### **1. Purpose**

- 1.1 The purpose of this report is to advise Members on the progress of both the revenue budget 2014/15 and the 2014/15 capital programme.

#### **2. Background**

##### **2.1 Revenue**

At the meeting of the Joint Board on 22 November 2013, Members agreed the revenue estimates for 2014/15. A total net budget of £2,713,205 was approved.

- 2.2 It has now been confirmed that the Joint Board will receive total income of £161,703 (originally budgeted £143,000) to assist in the transition to Individual Electoral Registration (IER), which has been added to the budget. Additional expenditure which will be incurred has also been added, resulting in a nil net effect on the budget.

##### **2.3 Capital**

Following the 2013/14 year end, £68,362 of capital resources was carried forward for future use. At the meeting of the Joint Board on 22 November 2013, Members agreed to fund the 2014/15 Capital Plan of £19,280 from these unapplied capital resources, leaving £49,082 of unapplied capital resources for future use. This has been incorporated into this 2014/15 budgetary control report.

##### **2.4 New format**

In addition, a new method of reporting has been developed for both revenue and capital.

- 2.5 The main changes with the new monitoring format for revenue and capital are as noted below:

- The new format focuses on the anticipated future position rather than the current position with variances being reported as an anticipated year end variance rather than a year to date variance.
- Variance analysis report detailing variances of £10,000 is now included.

### **3. Main Issue**

#### **3.1 Revenue**

The summary report attached as Appendix 1 highlights a favourable projected year end variance of £112,831(which includes potential earmarking of unspent grant).

3.2 Although the report indicates a favourable variance, the present variance should be viewed in the knowledge that there are a number of variable factors, particularly with the Individual Electoral Registration Process, which could arise between now and the 31 March which could affect the year end results.

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

#### **3.4 Capital**

A summary sheet is attached (Appendix 3) which highlights a projected underspend on the programme of £1,740, resulting in £50,822 of unapplied capital receipts projected to be carried forward into financial year 2015/16.

3.5 No variance analysis detail was required as no variances are projected over £10,000.

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

4.1 Members are asked to:

- i) Note the favourable revenue variance of £112,831 (4% of the total budget);
- ii) The 2014/15 budgetary position of the capital account; and
- iii) The anticipated 2014/15 unearmarked Capital Account balance of £50,822 is likely to be carried forward in 2015/16.

.....  
**Stephen West**

**Treasurer**

**Date: 4 November 2014**

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

**Appendix 1** Revenue BCR Period 6  
**Appendix 2** Revenue Analysis Report  
**Appendix 3** Capital BCR Period 6



**DUNBARTONSHIRE & ARGYLL & BUTE VALUATION JOINT BOARD**  
**REVENUE BUDGETARY CONTROL 2014/2015**

**APPENDIX 1**

MONTH END DATE **30 September 2014**

PERIOD **6**

ORIGINAL ESTIMATE 2014/15	DESCRIPTION	SPEND TO DATE	% SPEND TO DATE	FORECAST SPEND 2014/15	FORECAST VARIANCE	Variance %	STATUS
£ 2,229,087	EMPLOYEE COSTS	£ 1,083,626	49%	£ 2,229,991	£ (904)	0%	Adverse
115,510	PROPERTY COSTS	52,923	46%	107,704	7,807	7%	Favourable
67,000	SUPPLIES & SERVICES	27,155	41%	42,728	24,272	36%	Favourable
7,281	PAYMENT TO OTHER BODIES	0	0%	7,722	(441)	-6%	Adverse
419,305	ADMINISTRATION COSTS	69,544	17%	384,459	34,846	8%	Favourable
44,600	OTHER EXPENDITURE	7,707	17%	40,706	3,894	9%	Favourable
<b>2,882,783</b>	<b>GROSS EXPENDITURE</b>	<b>1,240,955</b>	<b>43%</b>	<b>2,813,310</b>	<b>69,473</b>	<b>2%</b>	Favourable
<b>(169,578)</b>	<b>GROSS INCOME</b>	<b>(186,493)</b>	<b>110%</b>	<b>(212,936)</b>	<b>43,358</b>	<b>26%</b>	Favourable
<b>2,713,205</b>	<b>NET EXPENDITURE</b>	<b>1,054,462</b>	<b>39%</b>	<b>2,600,374</b>	<b>112,831</b>	<b>4%</b>	Favourable
(48,745)	BALANCES USED						
2,664,460	AUTHORITIES CONTRIBUTIONS						

<b>UNDERSPEND</b>	<b>112,831</b>	<b>4%</b>
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## REVENUE BUDGETARY CONTROL 2014/2015

## ANALYSIS FOR VARIANCES

MONTH END DATE

30 September 2014

PERIOD

6

Budget Area	Budget	Spend to Date	% Spend to Date of Total Budget	Forecast Spend	Forecast Variance	Status
	£	£	%	£	£	%
<b>SUPPLIES &amp; SERVICES</b>	67,000	27,155	41%	42,728	24,272	36% Favourable
<b>Variance Narrative</b>						
<b>Main Issues</b>	This favourable variance is the result of the changes to PSN Security Compliance.					
<b>Mitigating Action</b>	n/a					
<b>Anticipated Outcome</b>	n/a					
<b>ADMINISTRATION COSTS</b>	419,305	69,544	17%	384,459	34,846	8% Favourable
<b>Variance Narrative</b>						
<b>Main Issues</b>	This favourable variance is mainly due to the review of the Fixed Telephone Line to Campbeltown. The Assessor and West Dunbartonshire Council's ICT Department are currently considering alternative solutions.					
<b>Mitigating Action</b>	n/a					
<b>Anticipated Outcome</b>	n/a					
<b>GROSS INCOME</b>	(169,578)	(186,493)	110%	(212,936)	43,358	-26% Favourable
<b>Variance Narrative</b>						
<b>Main Issues</b>	This favourable variance is mainly due to additional grant income from the Cabinet Office and earmarked balances carried forward from 2014/15 for Electoral Participation and IER.					
<b>Mitigating Action</b>	n/a					
<b>Anticipated Outcome</b>	n/a					

MONTH END DATE 30 September 2014

PERIOD 6

2014/15 BUDGET	LINE NO.	DESCRIPTION	SPEND TO DATE	% SPEND TO DATE	FORECAST SPEND 2014/15	FORECAST VARIANCE	Variance %	STATUS
£ 4,200	1	PLANNED UPGRADE OF PERSONAL COMPUTERS	£ 4,095	98%	£ 4,095	£ 105	3%	Favourable
3,480	2	PC MONITOR REFRESH	0	0%	0	3,480	100%	Favourable
11,600	3	SERVER RENEWAL	13,445	116%	13,445	(1,845)	-16%	Adverse
<b>19,280</b>	4	<b>GROSS EXPENDITURE</b>	<b>17,540</b>	91%	<b>17,540</b>	<b>1,740</b>	9%	Favourable
(19,280)	5	UNAPPLIED CAPITAL RECEIPTS CARRIED FORWARD	(17,540)	91%	(17,540)	<b>(1,740)</b>	9%	Adverse
<b>0</b>	6	<b>NET EXPENDITURE</b>		<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	Nil Variance
<b>(49,082)</b>	7	<b>UNEARMARKED BALANCE CARRIED FORWARD</b>	<b>0</b>	<b>0</b>	<b>1,740</b>	<b>(50,822)</b>	<b>104%</b>	Favourable

UNDERSPEND AS ABOVE

**1,740 9%**



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

## **Report by Treasurer**

**Valuation Joint Board – 21 November 2014**

---

### **Subject: Revenue Estimates 2015/2016**

#### **1. Purpose of Report**

- 1.1 The purpose of this report is to seek approval of the draft revenue estimates for 2015/16 and the level of constituent contribution.

#### **2. Background**

- 2.1 Local Authorities have to set their budgets and declare council tax levels by a statutory deadline of 11 March each year. The three constituent councils are likely to set their 2015/16 budgets and tax levels earlier than this. This means that the Valuation Joint Board needs to agree its budget before that date.

#### **3. Main Issues**

- 3.1 The following appendices are attached:

Appendix 1 Probable Outturn 2014/15;  
Draft Revenue Estimates 2015/2016;  
Indicative Estimates for 2016/17 and 2017/18.

Appendix 2 Summary of Main Variances from Previous Year.

Appendix 3 Details of Constituent Authority Contributions.

- 3.2 In recognition of the financial situation facing councils, every effort has been made to identify efficiencies which allows for a standstill contribution to be recommended for 2015/16. As a result, the following efficiencies have been applied:

- Staff turnover has been assumed at 3%;
- The provision for price inflation has only been added to protected lines and known increases; and
- Pay award of 1.5% has been assumed in 2015/16 onwards.

- 3.3 When the budget was agreed for 2014/15, the reserves were expected to reduce by £48,745 to balance the net budget position. Current projections indicate that there is a likely to be favourable in year position of £112,831, resulting in the reserve not decreasing but increasing by £64,086 by the year end. This would result in a year end reserve balance of £534,680. This equates to an available reserve of £434,680 (including potential earmarking from unspent grant) and prudential reserve of £100,000.
- 3.3.1 The original 2014/15 budget included anticipated costs for the PSN requirements and for fixed telephone communications to Campbeltown. As the proposed solution is no longer an option, this has been removed from the 2014/15 probable outturn (contributing to the in year favourable variance) and is now included within the 2015/16 estimates.
- 3.4 For the current projections for 2014/15 and 2015/16 within Appendix 1, assumptions have been made regarding costs and income associated with Individual Electoral Registration (IER). IER is a new process and at this stage difficult to predict the public's perception and/or reaction to it. Costs and Income at this stage are difficult to quantify and as such have been estimated and will be monitored throughout each year and appropriate action will be taken as necessary.
- 3.4.1 At this time we have included all anticipated expenditure in 2014/15 for the additional administration required in connection with the grants income, however there is a risk that the grant will not be fully utilised within the current year and will be carried forward and earmarked for future use.
- 3.4.2 The 2015/16 draft estimate shows a proposal to allow a standstill contribution from constituent authorities through the use of balances of £83,333. The use of £83,333 reserves results in projected available resources for future use of £451,347 (including the prudential reserve).
- 3.5 The Cabinet Office has not confirmed the level of grant the Board will receive in 2015/16. At this time we anticipate the grant will cover additional work associated with IER. However in the event of overspends being occurred, the Board will fund these through the use of their reserves. Any update required to the budget will be reported to Members of the Board in June 2015 through the budgetary control process, per normal practice.
- 3.6 At this time Indicative estimates for 2016/17 and 2017/18 identify budget gaps of £283,717 in 2016/17 and £378,574 (cumulative) in 2017/18. The budget gaps identified will require to be funded through use of reserves and/or service efficiencies.
- 3.7 It is proposed that the expected year end surplus of £534,680 is carried forward to be used as required to help meet the budget gap over future years. The surplus will be monitored and its use will be reviewed if any material changes occur.

#### **4. Comparison of 2014/15 original budget to 2014/15 projected outturn**

- 4.1 There is an overall projected favourable variance of £112,831 with the main variances described in the budgetary control report which is reported elsewhere on the agenda and summarised below:

Supplies and Services	£24,272 Fav
Admin Costs	£34,846 Fav
Income	£43,358 Fav

#### **5. Comparison of 2015/16 with 2014/2015**

- 5.1 Gross Expenditure between 2014/15 and 2015/16 is further explained in Appendix 2 of this report.

#### **6. Contributions from Authorities**

- 6.1 As in previous years, it is recommended that the budget for 2015/16 be apportioned to the councils on the basis of their Grant Aided Expenditure (GAE) figures per Appendix 3. The proposed apportionment is:

Argyll and Bute	48.10%	£1,281,605
West Dunbartonshire	26.95%	£ 718,072
East Dunbartonshire	24.95%	<u>£ 664,783</u>
		<u>£2,664,460</u>

#### **7. Recommendations**

- 7.1 The Joint Board is requested to:

- (a) Agree the draft revenue budget for 2015/2016 per Appendix 1;
- (b) Agree to the surplus as at 31 March 2015 being carried forward into 2015/16 and to be used over the next few years to help meet the budget gap;
- (c) Note the indicative budgets for 2016/17 and 2017/18; and
- (d) Agree that the requisition is based on each council's GAE figures with the apportionment being as identified at 6.1 above.

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**Stephen West**  
**Treasurer**  
**Date: 4 November 2014**

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**Person to Contact:** Gillian McNeilly, Finance Manager  
Telephone (01389) 737194

Appendix 1 Probable Outturn 2014/15,  
Draft Revenue Estimates 2015/2016, Indicative Estimates  
for 2016/17 and 2017/18;  
Appendix 2 Summary of Main Variances from Previous Year;  
Appendix 3 Details of Constituent Authority Contributions.

## PROBABLE OUTTURN 2014/15 &amp; REVENUE ESTIMATES 2015/16

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	£	£	£	£	£	£
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 COST	0	3,994	5,000	0	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 PROBABLE	2015/16 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>

**VALUATION JOINT BOARD****Appendix 2****2015/16 REVENUE ESTIMATES SUBMISSION****Overview of General position:**

	£	£	%
(a) Revenue Budget			
Draft Net Expenditure 2015/16		2,747,793	
2014/15 Approved Expenditure		2,713,205	
Increase in Net Expenditure		34,588	1.27%

**Main Variances:**

	£	£	%
<b><u>Increases</u></b>			
Staffing (pay award/ increments/ structural changes)	35,268		1.30%
Accommodation Costs	751		0.03%
Rates	1,750		0.06%
Telephones	2,000		
Sales Fees and Charges	2,000		5.78%
Printing	5,000		0.18%

46,770

<b><u>Decreases</u></b>			
Utilities (Gas & Electricity)	5,523		0.20%
Other Staffing	4,600		0.17%
Electoral Support System	8,500		0.31%
Property Costs	4,026		0.15%
Computer Equipment	16,000		0.59%
Office Equipment	7,000		0.26%
Computer Licenses	3,012		0.11%
Computer Consumables	300		0.01%
Machine Rentals	1,800		0.07%
Advertising	1,200		0.04%
Electoral Participation	1,000		0.04%
Central Administration Costs	2,721		0.10%
Courses & Conferences	1,700		0.06%

(57,382)

**Movement in income**

Decrease in Grant Income	45,200		1.67%
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45,200

34,588 1.27%

**VALUATION JOINT BOARD****Appendix 3****CALCULATION OF 2015/16 CONTSTITUENT AUTHORITY CONTRIBUTION**

	2014/15 CONT		2015/16 CONT		INCREASE (DECREASE)	
	£	%	£	%	£	%
<b>REVENUE BUDGET</b>						
ARGYLL AND BUTE	1,281,605	48.10	1,281,605	48.10	0	0.00
WEST DUNBARTONSHIRE	718,072	26.95	718,072	26.95	0	0.00
EAST DUNBARTONSHIRE	664,783	24.95	664,783	24.95	0	0.00
<b>TOTAL</b>	<b><u>2,664,460</u></b>		<b><u>2,664,460</u></b>		<b><u>0</u></b>	<b><u>0.00</u></b>



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

## **Report by Treasurer**

**Valuation Joint Board – 21 November 2014**

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### **Subject: Capital Estimates 2015/16**

#### **1. Purpose of Report**

- 1.1 The purpose of this report is to seek approval of the Draft Capital Estimates for 2015/16.

#### **2. Background**

- 2.1 Following good practice authorities should aim to set capital budgets prior to 1 April each year, to allow spend to start on the agreed programme. Therefore, the Valuation Joint Board needs to agree its capital plan at an earlier date in order that the constituent councils may incorporate any capital requisition figures into their own budgets.
- 2.2 The Board currently holds £49,082 in capital receipts yet to be used or committed to capital projects.

#### **3. Main Issues**

- 3.1 Appendix 1 details projects that the Assessor proposes for inclusion in the capital programme.
- 3.2 Should the total bid of £30,850 be approved, it is proposed that the cost of this be met by the unallocated capital resources which are expected to be carried forward from 2014/15. Therefore there will be no capital requisition required from constituent councils for 2015/16.

#### **4. Recommendations**

- 4.1 The Joint Board is requested to:
- a) Agree the 2015/16 Capital Plan of £30,850; and
  - b) Agree to carry forward the unearmarked resources in the 2014/15 Capital budget into 2015/16 to fund the 2015/16 Capital Plan and agree that no Capital Requisition is required from constituent authorities for 2015/16.

.....  
**Stephen West**

**Treasurer**

**Date: 4 November 2014**

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**Person to Contact: Gillian McNeilly, Finance Manager**  
**Telephone (01389) 737194**

**Appendix: 2015/16 Capital Plan**

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

**2015/16 Capital Plan**

**Planned Upgrade of Personal Computers**

The Board will be aware that the Assessor has a planned programme of upgrading personal computers (PCs) and laptops. 13 PCs and 8 laptops have been identified for replacement during 2015/16, and based on current recommended prices, the replacements should cost in the region of £350 for each PC and £475 for each laptop

Total Cost £8,350

**Server Renewal**

In line with the Boards IT strategy our Unix server and the domain controllers for both Campbeltown and the Clydebank Offices are due for renewal during 2015/16. Based on current recommended prices the replacements are likely to cost in the region of £12,100 for the unix server and each of the domain controllers are likely to cost around £5,200

Total Cost £22,500