

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

MEMBERS AS AT 31 MARCH 2013

JOINT BOARD MEMBERS

ARGYLL & BUTE COUNCIL

Councillor John Semple
Councillor Fred Hall
Councillor Richard Trail
Councillor John McAlpine
Councillor Gordon Blair

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 local authority 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

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1.0 INTRODUCTION

I am pleased to present my Annual Report in relation to the 2012/13 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 1st April 2010 and appeals against the proposed values were received in the period up to 30th September 2010. Running roll and 'material change of circumstances' appeals were received throughout the 2012/13 year, though the numbers of these were significantly down on the peaks of the previous two years.

Maintenance activity in relation to our Council Tax functions remained more or less at expected levels and appeal activity was similar to previous years.

In relation to our Electoral Registration functions, the year started with the provision of registers and associated support for the Scottish Local Government elections on 3rd May 2012. The annual canvass was completed on time and feedback from the Electoral Commission's performance regime was good.

The local elections in May 2012 saw the formation of a new Joint Board in June 2012. Councillor Jim Brown of West Dunbartonshire Council was elected as Convenor of the Board and Councillor Vaughan Moody of East Dunbartonshire Council was elected as Vice Convenor.

Following the resignation of Andrew Fraser from the post of Head of Legal, Democratic and Regulatory Services within West Dunbartonshire Council, his replacement in that post, Mr Peter Hesselst assumed the post of Clerk to the Valuation Joint Board in February 2013.

The Valuation Joint Board (VJB) Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2012/13 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 every 5 years.
- To timeously compile and maintain the Valuation Roll in accordance with the relevant legislation, to take account of new properties, properties which should no longer be entered in the roll, properties which have been altered, changes to the parties shown in the Roll and other changes arising from statute or other decisions of the Courts.
- To 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.

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2.1 NON-DOMESTIC RATING (Cont'd)

2005 Revaluation

The vast majority of Revaluation appeals had been disposed of by the statutory deadline of 31st December 2008. Eight appeals, having been referred to the Lands Tribunal, were outstanding at the start of the year. One appeal for the Gas Undertaking in Scotland (NAV/RV £70,910,000) was withdrawn and three for telecommunications subjects were disposed of by adjustment during the year leaving 4 outstanding.

Maintenance of the Valuation Roll

Throughout the year, professional and technical staff have been involved in the routine updating of the Valuation Roll to take account of additions, alterations and deletions. 1,369 amendments were made to the Valuation Roll during the year.

Total No of entries @ 1st April 2012	12,561
Total Rateable Value @ 1st April 2012	£326.1 million
Total Number of entries @ 31st March 2013	13,007
Total Rateable Value @ 31st March 2013	£326.3 million

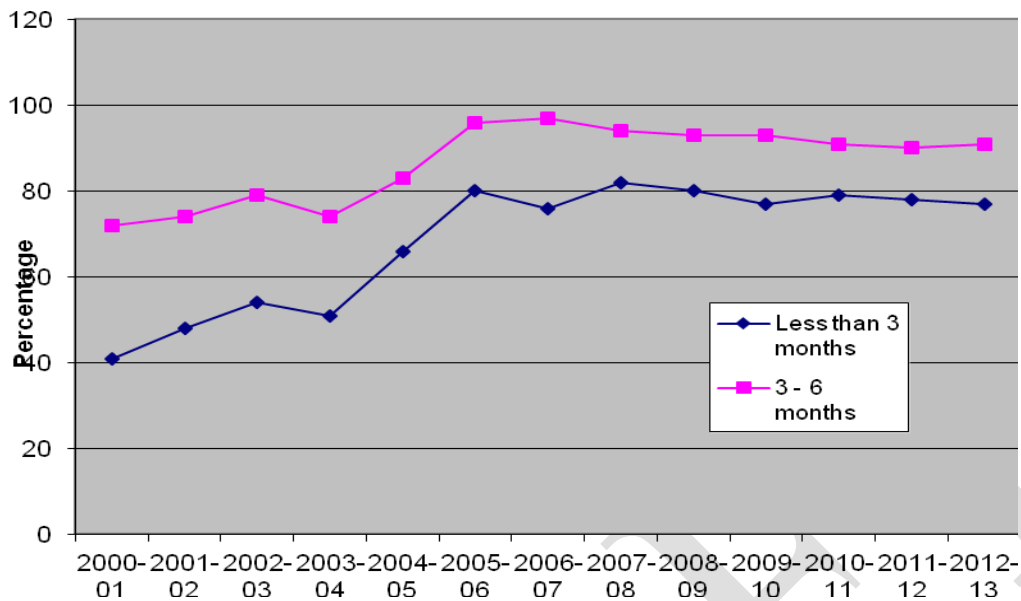
The Key Performance Indicator in relation to non-domestic valuation has been defined as the time taken from the date on which amendments to the Valuation Roll are effective to the date a Valuation Notice in respect of that change is issued. The following table sets out the target and actual performance information for 2012/13 compared with the actual figures for 2011/12.

Period	Actual 2011/12	Target 2012/13	Actual 2012/13			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	Whole Area
0-3 months	77.8%	80%	78%	78%	69%	77.1%
3-6 months	12.6%	12%	14%	15%	16%	14.1%
>6 months	9.6%	8%	8%	7%	16%	8.8%

Although not all of our targets were achieved, performance was maintained at similar levels to recent years. This relative success was achieved despite hundreds of retrospective requests for new entries to be made in the valuation roll at one particular caravan park – a matter over which we have no control. Performance in relation to service provision since the inception of the Best Value regime (see page 5).

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2.1 NON-DOMESTIC RATING (Cont'd)



2005 Running Roll Appeals

At the start of 2012/13, 46 'Running Roll' appeals were outstanding from the 2005 Valuation Roll.

During the year 5 appeals, including one for the Gas Transmission Network (NAV/RV £39,030,000), were disposed of without the requirement to proceed to formal hearing. The Lands Tribunal did hear 'sample' or 'lead' cases in respect of Mobile Telecommunications subjects with the outcome likely to be applied to the outstanding appeals for these subjects locally. It is expected, however, that the Lands Tribunal decision is likely to be appealed to the Lands Valuation Appeal Court.

2010 Revaluation

The 2010 Revaluation took effect from 1st April 2010.

Rateable values are one of 2 elements in the calculation of business rates. The other is the annual national rate poundage which is set by Scottish Ministers. Multiplying a property's rateable value by the poundage rate set determines the initial rate bill, subject to any reliefs or supplements which may apply, in any year for each property. Following a commitment given by Scottish Ministers in 2007, the rate poundage for 2012-13 in Scotland was set to match the rate set for England at 45.0p.

2010 Revaluation Appeals

A total of 3,391 appeals were received before 30th September 2010, which was the last date for submission of such appeals. The statutory requirement is that Revaluation appeals are disposed of by Committees prior to 31st December 2013 and these will require to be cited for hearing before 30th June 2013.

At the start of 2012/13, 1,361 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 Secretaries to the Panels.

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2.1 NON-DOMESTIC RATING (Cont'd)

Initially, disposal of appeals was slow as progress was dependent upon two Lands Valuation Appeal Court appeals which were heard in May 2012. Following publication of the Opinions in these cases in September, staff entered into an intense period of negotiations and disposals. 788 appeals were disposed of prior to the end of the 2012/13 year leaving 573 outstanding. Of the Revaluation appeals disposed of to date 2,026 (71.9%) have been withdrawn and 792 (28.1%) resulted in adjustments being made to the rateable value. The loss in Rateable Value resulting from revaluation appeals settled to 31st March 2013 was 1.07% of the total value in the Revaluation Roll

2010 Running Roll Appeals

The fact that the effects of the downturn in the economy continued to be felt after 1st April 2010 resulted in unprecedented numbers of running roll appeals being submitted during 2010/11 (2,242) and 2011/12 (2,030). Lands Valuation Appeals Court (LVAC) Opinions issued during the year resulted both in significant numbers of these existing appeals being disposed of and in the number of appeals submitted during the year returning to a near normal 302. At the end of the financial year 1,789 running roll appeals remained outstanding, the majority of which will require to be disposed of prior to 31st December 2013.

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. Although the objectives of the consultation were to:-

- Help stimulate sustainable economic growth
- Improve the transparency of the rating system, and
- Streamline the operation of the rating system,

the consultation document was fairly open in inviting suggestions for change.

The Joint Board’s interests were represented by my being one of the main authors of the Scottish Assessors Association’s response to the consultation. An analysis of the wide variety of consultation responses is expected during the summer of 2013.

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.

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2.2 COUNCIL TAX (Cont'd)

Maintenance of Valuation List

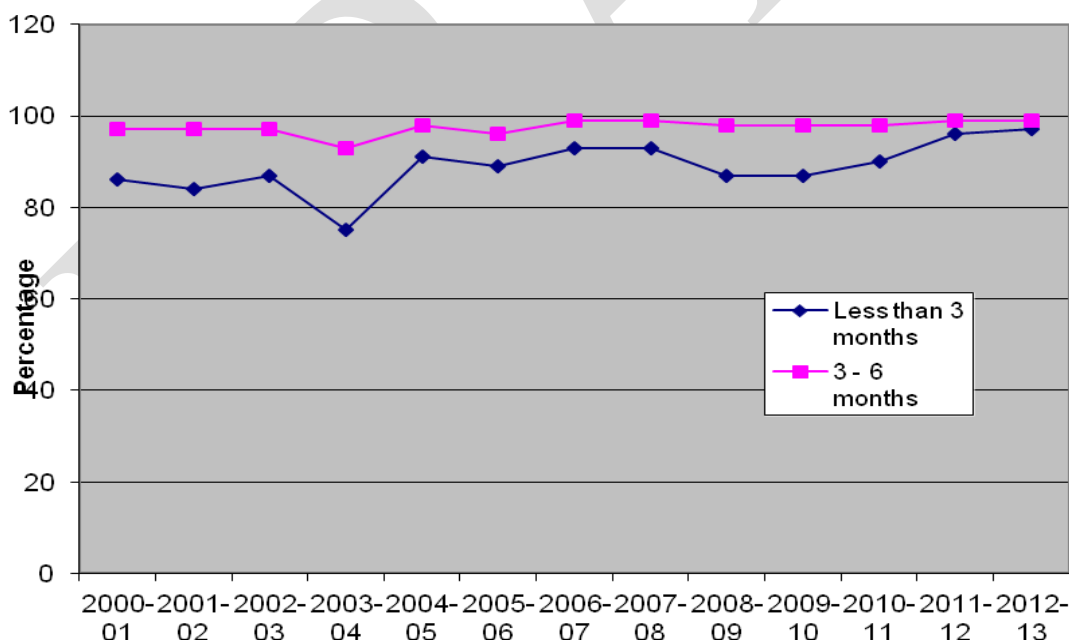
Activity in the housing market during the year to 31st March 2013 has resulted in a net increase in the number of dwellings shown in the Council Tax List.

Total Number of entries @ 1st April 2012	141,478
Additions during year to 31st March 2013	1,110
Deletions during year to 31st March 2013	441
Total Number of entries @ 31 st March 2013	142,147

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 2012/13 compared with the actual figures for 2011/12 and shows that our targets at both 3 and 6 months were achieved and our previous performance levels were exceeded, despite my questioning the sustainability of the 2011/12 performance levels.

Period	Actual 2011/12	Target 2012/13	Actual 2012/13			
			Argyll & Bute	West Dunbartonshire	East Dunbartonshire	Whole VJB Area
0-3 months	96%	93%	91.6%	100%	99.5%	96.5%
3-6 months	2.6%	5%	5.1%	0%	0.5%	2.2%
>6 months	1.4%	2%	3.2%	0%	0%	1.3%

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



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2.2 COUNCIL TAX (Cont'd)

Council Tax legislation permits Assessors to amend bands when a property has been altered and subsequently sold. Professional and technical staff have been engaged in completing surveys of such properties and making amendments where appropriate. During 2012/13, 70 band amendments were effected compared to 73 in 2011/2 and 58 in 2010/11. This is a very small number of changes when compared to the workload required to comply with the duty.

Proposals and Appeals

108 proposals and appeals were outstanding at the start of 2012/13 and 533 were submitted during the year. In the same period, 527 were disposed of, leaving 114 outstanding.

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 annual canvass was completed on schedule and the statutory deadline in relation to the publication of the Electoral Registers by 1st December was achieved.

Canvass forms were initially issued to 138,348 households with a first reminder being sent to 52,400 addresses and a second reminder being sent to 658 households. 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. 12,283 households were visited by canvassers and 1,815 forms were returned by this method.

The final return at the conclusion of the canvass was 93.74%, of which 24.68% were householders who made their returns by telephone, short message service (text message) or internet and 1.31% were returns via canvassers. This return rate was slightly up on the 92.42% return in 2011, 92.28% in 2010 and 92.12% in 2009. The total return by Council area is shown below:-

Argyll & Bute Council	95.16%
East Dunbartonshire Council	95.39%
West Dunbartonshire Council	90.54%
VJB Area	93.74%

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2.3 ELECTORAL REGISTRATION(Cont'd)

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 24.68% of the total return this year.

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

The number of changes to the Register during the 2012 canvass period was as follows: -

Elector Additions	17,122
Elector Deletions	11,982
Total Electorate @ 29 th November 2012	219,117

The total electorate figure at 1st December 2012 shows a continuing rise in the number of electors contained in the published register from the low point in 2009.

Year	No of Electors
2012	219,117
2011	217,065
2010	216,433
2009	215,460
2008	216,241
2007	218,875
2006	218,399
2005	217,559

With the exception of 2008 when there was a legislative change affecting absent voting procedures, the number of Absent Voters on the Register had increased year-on-year for some time now. 2012 saw another 1.5% rise on the figures at publication of the 2011 registers.

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

This pattern of increase is likely to be affected in 2013 by the requirement to refresh the personal identifiers of those Absent Voters who first submitted these details when the legislation was introduced in 2008.

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 two years.

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2.3 ELECTORAL REGISTRATION(Cont'd)

Year	%age of Electors Opted out
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%

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 September 2012 were as follows: -

Elector Additions	5,718
Elector Deletions	7,064
Total Amendments	12,782

and the following changes were made to the Register between publication on 29th November 2012 and the March 2013 cut-off for the 1st April update:-

Elector Additions	2,286
Elector Deletions	2,711
Total Amendments	4,997

Between publication of the registers on 29th December 2012 and the end of the financial year, 21,642 individual voter registration forms were issued to households with around 47% of the additions and deletions referred to above resulting from these activities.

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 was appointed as Convenor by a joint group containing representation from the Scottish Government, the Scotland Office and the Electoral Commission. The Board has three Electoral Registration Officer members.

The Electoral Management Board provided guidance and direction in the preparations for the May 2012 elections.

Electoral Performance

The Electoral Administration Act 2006 (EAA) gave the EC 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 our self-assessment having to be submitted in advance of the annual canvass and the statistical data being submitted following the publication of the revised register in November.

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2.3 ELECTORAL REGISTRATION(Cont'd)

The self-assessment covered 10 performance standards over 4 subject areas:-

- Completeness and accuracy of electoral registration records (Standards 1–3)
- Integrity of the registration process (Standards 4–5)
- Encouraging participation in the registration process (Standards 6–8)
- Planning and organisation (Standards 9–10)

The Joint Board self-assessed as performing ‘Above the Standard’ in 6 of the 10 standards and ‘Meeting the Standard’ in the remaining 4 and Electoral Commission follow-up activity confirmed this position.

Elections

Registers and associated lists and data were provided to Returning Officers for the Scottish Local Government elections on 3rd May 2012.

Registers were also provided for a local by-election in East Dunbartonshire Council on 13th September 2012.

Elections tend to be good tests of the completeness and accuracy of the registers and I am pleased to report that these elections generally proceeded without problems of any significance arising.

Individual Electoral Registration (IER)

Following the publication of The Electoral Registration and Administration Bill 2012 on the 10th May 2012 the Scottish Assessors Association’s Electoral Registration Committee engaged with the Cabinet Office on the proposed legislation and business processes by way of a Scottish Implementation Co-Ordination Group. Both the Electoral Registration Officer and the Principal Administration Officer are members of this group. After lengthy debate and several amendments in the two houses of Parliament the Bill received Royal Assent on 31st January 2013.

The Electoral Registration and Administration Act is an empowering act which will require a swathe of Secondary Regulations. Drafts of these were first published in September 2012 and, following several amendments revised drafts were published in March 2013. Two statutory instruments have already been passed allowing the annual canvass in 2013 to be delayed and to permit a trial run of data matching with the Department of Work and Pensions (see below). This trial will allow planning to take place before the live transition to individual electoral Registration in 2014.

The transition to IER involves a ‘Confirmation’ stage where existing Electoral Registers will be matched against 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 and/or Individual Electoral Application forms to households and individuals seeking submission of their details, including their dates of Birth and National insurance numbers.

The transition process will be complex, requires significant changes to our Electoral Management/ICT systems and is likely to require additional funding. Detailed planning for implementation of the process will be completed following the Confirmation Dry Run which will take place during August 2013.

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2.3 ELECTORAL REGISTRATION(Cont'd)

Referendum on Scottish Independence

The 'Edinburgh Agreement' which was signed on 12th October 2012 cleared the way for a single question referendum to be held on Scottish independence. To facilitate this, the Scottish Parliament Published two Bills in March 2013. The Scottish Independence Referendum Bill lays out the general rules for the conduct of the referendum, which is to be held on 18th September 2014, and the Scottish Independence Referendum (Franchise) Bill establishes who can vote at the referendum, including the extension of the franchise to 16 and 17 year olds by way of a Register of Young Voters. The year, therefore, concluded with EROs consulting with the Scottish Government on the detailed implementation and funding of the changes that will be required to comply with the Bill.

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 Information Communication Technology (ICT). During the financial year we planned to replace 11 PCs with a mix of lap-tops and PCs. The devices were purchased during the year but, unfortunately, limited resources within West Dunbartonshire Council's ICT department prevented us from rolling these out before the year ended.

It was reported in 2012 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. Steps have been taken to improve resilience but, as yet, we are still waiting to receive formal advice from West Dunbartonshire Council's ICT Department on how best to proceed in the long term.

In February 2012 a new server and associated software were procured for the purposes of establishing a disaster recovery solution for our electoral management system. The server was installed in the period up to April 2012 and was functional in time for the local government elections.

Late in the year we successfully completed the first stage of connecting to the Governments Digital Service which will underpin the new IER system (see above).

The Assessor's 'Progress' system, which supports our valuation functions, was further developed to provide 'one-stop' access to a range of valuation information such as survey reports, valuations, photographs, outstanding survey workloads and so on.

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) which provides single point access to Valuation Roll, Council Tax List and Electoral Registration information on an all-Scotland basis.

With operational activities being focussed on the Revaluation appeals processes and central funding of the portal having come to an end, development activity in relation to the portal has, again, remained at low levels during 2012/13 with development being focussed fine tuning of the site rather than in delivering significant enhancements or additional functionality.

Improvements were made which enhanced reporting to, and analysis of data by, the Scottish Government and a specification has been drafted for further enhancements of this nature which may be funded by the government.

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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 2011/12 Public Performance Report was published during 2012/13 on our web site (www.dab-vjb.gov.uk). Public feedback from these reports remains non-existent.

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 2012/13:-

- In-year amendments to the 2011-2014 Service Plan and an Annual Service Calendar for 2012/13 were approved by the Valuation Joint Board in June 2012. The Management Team regularly reviews progress against these plans.
- The Reporting Framework has reached a fairly stable state but new/amended reports are added as and when needed. 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 is regularly reviewed by the Management Team to reflect both new requirements and actions taken.
- Arising from an Audit recommendation in 2012 initial work has been carried out to develop a Service Level Agreement for the provision of support services by West Dunbartonshire Council.
- The Management Team regularly reviews the approved Risk Action Plan, and the Risk Register is reviewed annually. Risk Registers/Action Plans which were drawn up in respect of the Annual Canvass, Rolling Registration and other electoral processes were incorporated into the 'corporate' Risk Register in February 2012. A Stress Risk Assessment was carried out and an Action Plan completed for Management Team consideration.
- A new Complaints Procedure, in line with the Scottish Public Ombudsman's Model Complaints Procedure, was drafted and approved by the Management Team for implementation on 1st April 2013.

The above, several of which are described more fully below, represent real commitments to the Best Value regime and to continuous improvement. The current financial restrictions have forced a change in emphasis from stakeholder driven service improvement to efficiency driven change, but we will continue to strive to provide improving services.

Risk Management

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

- Recognition that the move to Individual Electoral Registration represents one of the largest challenges to the organisation in many years. A full, detailed, register for this single project will be developed in due course.
- The risks to the organisation of the use/miss-use of 'social media'
- Implementation of the Register of Young Voters for the purposes of the independence referendum
- It was also recognised that the outcomes of the Scottish Government's "Supporting Business – Promoting Growth" consultation (see above) might present significant challenges to the organisation in the mid to longer term.

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3.2 BEST VALUE (cont'd)

Aside from the last addition above, 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 number of risks and actions were also removed from the Risk Management regime.

Audit

During the year, the final 2011/12 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 31st March 2012, 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 2011/12 Code of Practice on Local Authority Accounting.

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

Risk no.	Risk Identified	Planned Management Action	Responsible Officer
1	Balances & Reserve Strategy An agreement has been reached with the Board that they can disclose a general fund reserve as of 2012/13 however this requires a formal balance & reserves strategy to be approved by the Board	A Reserve Strategy will be prepared for consideration at the Board meeting on 16 November 2012.	Treasurer
2	Service Level Agreements (SLAs) There are no SLAs in place to define the support services provided to the Board by West Dunbartonshire Council	The need for a Service Level Agreement will be considered and, if appropriate, action will be taken to implement an agreement prior to 1 April 2013	Treasurer / Assessor & ERO
3	Running Roll Appeals An increase in the number of running roll appeals is considered likely to impact on the workload of valuation staff.	A significant number of running roll appeals have been disposed of since the time of the audit leaving the Assessor & ERO confident that, by planning resources and scheduling VAC hearings, the workloads are manageable within current resource levels	Assessor & ERO

A Balance & Reserve Strategy was approved by the Valuation Joint Board at its meeting in November 2012 and the other items were added to the Assessor's Audit Action List. Progress has been made both in drafting a Service Level Agreement with West Dunbartonshire Council and in disposing of the Running Roll appeals referred to (see Section 2.1 above)

No Internal Audit work (provided by West Dunbartonshire Council) was scheduled for 2012/13.

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

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3.2 BEST VALUE (cont'd)

The finances of the Joint Board for 2012/13 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 area of risk to the Board as being the combined effect on resources of the UK Government's plans to introduce IER in 2014 and the Scottish Government's plans to introduce registration of 16 and 17 year olds to vote in the 2014 referendum. Auditors will, as a result, monitor progress towards implementation through review of relevant Board reports and discussions with relevant officers. Further, they will provide a progress report in their 2012/13 annual audit report.

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 review of the sampling methods for 2012/13 provided a much bigger sample size than in previous years. A summary of the results is provided over. These show that:-

- By far the majority of our stakeholders (97%) find us professional, courteous and helpful.
- 55% of queries or transactions are completed at the first point of contact and only 4% of matters are not concluded to the satisfaction of the stakeholder.
- Most users of Joint Board services (96%) are satisfied with the information and/or advice provided to them.
- Overall, and allowing for the adjustment arising from a larger sample, very high satisfaction levels are being maintained on a year-to-year basis.

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

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

Of the returns which indicated the relevant equality group, 3.16% of service users were non-white, 49% were male, 51% were female and 4.81% were disabled. The age profile of service users was as shown below:-

Age	<16	16-24	25-29	30-29	40-49	50-59	60-74	75+
Total	0	2	3	6	22	24	32	4
% age	0%	2.2%	3.2%	6.5%	23.7%	25.8%	34.4%	4.3%

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3.2 BEST VALUE (cont'd)

Sample sizes within the various equalities groups were too small to draw firm conclusions, and in some cases the information proved to be contradictory, but satisfaction levels within minority groups and across the equalities strands were largely as positive as the overall averages. There a number of areas of service provision across the equalities strands which will be considered further to ensure that we are carrying out our functions in a fair and equal manner.

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.

As a result, the Board replaced its suite of Equality Schemes in respect of Gender, Disability and Race with a Single Equality Scheme which was approved by the Joint Board in November 2011. This new scheme not only brought together the commitments of the previous scheme but extended them to include the protected characteristics listed above.

Further, a Single Equality Scheme Annual Report was produced in 2012 and is published on our web site (www.dab-vjb.gov.uk).

Following the confirmation of the Specific duties by the Scottish Government, a review of our duties and reporting requirements was carried out during 2012/13 by the Depute Assessor in liaison with colleagues in the Scottish Assessors Association. This resulted in the publication of a document which:-

- Reports on our progress in relation to 'Mainstreaming' our equalities duties.
- Reports on various staffing matters as they apply to the protected characteristics, and
- Identifies the Board's Equality Outcomes, which identify area in which we aim to improve our performance in respect of our equalities duties.

The extended duties have also required a review of various monitoring and reporting processes to take account of the extension to the protected characteristics.

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 2012/13 training was provided both through externally sourced and in-house training events in subjects as diverse as use of IT systems, Geographic Information Systems (GIS), Management Skills, Data Protection and Information Security, and our new Complaints Procedures. One member of staff completed her formal training towards becoming a surveyor and has commenced the RICS Assessment of Professional Competence and one qualified as a Technician. Formal external training is ongoing for one Trainee Valuer and one Trainee Technician. One member of staff 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.

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

3.4 STAFFING MATTERS (cont'd)

Personnel Policies

There were no new or revised personnel or related policies implemented during 2012/13, though a replacement for the Board's Attendance Maximisation Policy was drafted.

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 2012/13 year with Clerical Assistant Anthony Jordan being selected for the 2012/13 award for his various time and resource saving suggestions for process improvement, which were applied across all clerical/admin sections.

3.5 FREEDOM OF INFORMATION

The Freedom of Information regime is now fairly firmly established in the processes and operations of the Joint Board.

A 'business as usual' approach has been taken to the majority of requests for information received, but in the calendar year to December 2012, a total of 8 requests which specifically referred to the Freedom of Information Act were received. Information was supplied in full for the five where the information was held and in two of the other cases the information which was held was provided. Notification was given in the final request that the information was not held. Dealing with such requests took over 19 hours of staff time and no fees were charged.

Much of the year saw preparations being made for the move, in May 2013, to adoption of a Model Publication Scheme in line with the Information Commissioner's recommendations. This has required the development of a Guide to information for stakeholders and a review of the Board's web site where more information is now being made available.

3.6 PROPERTY MATTERS

In 2008 the Valuation Joint Board approved a 3-year rolling programme of improvements to the Clydebank building to commence in April 2009. 2011/12 was year 3 of the programme and the planned works included the installation of a shower room, replacement of a water tank and general redecoration of the offices at 235 Dumbarton Road, Clydebank. For reasons which were reported last year, the works were carried out during 2012/13 and were completed well within the original budget estimated for the project.

The occupiers of the neighbouring property at 233 Dumbarton Road had indicated a wish to rent some ground/grassed area from the Joint Board and, following negotiations on area to be let and rent chargeable, an area of around 1000m² of ground was formally let to Alphapet Services in August 2012.

3.7 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 Parties, which report to regular plenary sessions that are attended by representatives from all Assessors' offices. It has been my pleasure and privilege to serve the Association as its President during 2012/13.

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3.4 STAFFING MATTERS (cont'd)

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

During 2012/13 the Association was involved in collating a number of consultation responses in matters such as the proposals for, and implementation of, Individual Electoral Registration, the extension to the franchise for the referendum on Scottish Independence and on the future of the Non-Domestic Rating system.

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 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. Discussions are ongoing to formalise this arrangement by means of a Service Level Agreement

Following the retirement of Andrew Fraser in December 2012, Peter Hesselton was appointed as the new Head of Legal and Democratic Services for West Dunbartonshire Council and took on the role of Clerk to the Board with effect from 4th February 2013.

4.0 CONCLUSION

2012/13 was my ninth year as Assessor and ERO for Dunbartonshire and Argyll & Bute Valuation Joint Board. Whilst I described the 2011/12 financial year as rather 'unsatisfying' my feeling about 2012/13 is one of much more significant achievement.

My report on 2011/12 referred to legal 'roadblocks' which were preventing progress being made in respect of disposal of Revaluation Appeals. This position extended until the Opinions of the Lands Valuation Appeal Court in the 'Overgate' and 'Mercat' test cases were issued in September. These decisions initiated a fairly intense flurry of appeal activity and resulted in significant progress being made towards disposal by the statutory disposal date of 31st December 2013.

The fact that these decisions went in favour of the relevant Assessors virtually eliminated the risk of very significant losses in rateable value across Scotland and also highlighted the strength of the SAA working together.

When taken with the Opinion in a separate case in Glasgow, the above decisions also allowed progress to be made in disposing of the exceptional volumes of running roll appeals which had been made during 2010/11 and 2011/12 financial years.

The annual electoral canvass was completed within budget and registers were published on time. Our electoral registers provided the basis for the Local Government Elections in May 2012 and did so with few problems or complaints.

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

4.0 CONCLUSION (Cont'd)

Budgetary restrictions continue to apply and are likely to do so for the foreseeable future. Driving down costs whilst maintaining, or improving, service delivery is now the main theme which underlies the majority of our decisions.

As ever, all of our statutory duties were delivered as required and both performance, as measured by the various indicators applying to the Board, and customer satisfaction, as measured by our customer survey, remain at creditable levels.

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.

May 2012 brought about the dissolution of the sitting Valuation Joint Board and the constitution of a new one. I would like to reiterate my thanks to the Convenor, Vice Convenor and members of the outgoing Board. I would also like to thank the new Convenor and Vice Convenor for their support to date and wish all members best wishes for their tenures on the Board.

Looking forward to 2013/14 and beyond, there are no shortages of challenges to be met. The 2010 Revaluation appeals disposal date is drawing ever nearer and it will take a significant effort from our valuation staff and the local Valuation Appeal Panels to comply with the deadline. The postponement of the 2015 Revaluation until 2017 has, however, offered the possibility of some 'breathing space' in respect of our NDR functions, though the outcomes of the recent consultation on change could well result in any number of changes, obligations and duties.

The forthcoming electoral year will start some of the most tumultuous change to the system since registration began. Planning for the implementation of Individual Electoral Registration is already well under way, with planning due to turn to actions in the very near future. The franchise is to be extended for the purposes of the 2014 referendum on independence and that will require change during 2013. Many Absent Voters will be required to refresh their personal identifiers in the autumn. And to facilitate the above, the annual canvass has been moved to the October 2013 to March 2014 period. All of which will take place in advance of European Parliamentary elections in May 2014 and the transition to IER from October 2014.

2013/14 also sees new obligations in respect of our Equalities Duties and the Freedom of Information regime whilst attention will also need to be given to the new requirements in respect of Records Management brought about by the Public Records (Scotland) Act.

There is little doubt that these challenges will need to be met within a tight, and possibly 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 Officer
30 June 2013

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 2013. 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 30 of the financial statements. The Joint Board's 2012/13 budget was constructed to break even using £56,690 of balances. In event, the Valuation Joint Board completed the year with a further contribution to the funds brought forward of £156,707. This contribution, together with the unused (but budgeted) use of funds brought forward of £56,690 highlights an overall underspend against budget of £213,397. The Valuation Joint Board's financial position at 31 March 2013 may be summarised as follows:

	Budget	Actual	Variance
	£	£	£
Net Expenditure/(Income)	2,776,150	2,562,753	(213,397)
In-year Constituent Contribution	(2,719,460)	(2,719,460)	0
Overall (surplus) deficit	(56,690)	(156,707)	(213,397)
Use of Reserves	56,690	0	56,690
Final Net transfer to general reserves balance	0	(156,707)	(156,707)

The above variance analysis is a restatement of the Comprehensive Income & Expenditure Statement (page 30) and the Movement in Reserves Statement (page 28). In order to reconcile the Net Expenditure/Income (above) to these statements the Net Cost of Service of £2,603,755 plus Finance Investment Income of £25,142, less Total Statutory Adjustments of £66,144 (page 28) equals £2,562,753.

The major variances were as follows:

	Variance	
	£	
Employee Costs	113,795	This underspend is mainly due to employee vacancies and there were no early retirements or severance payments.
Travel	15,467	This underspend is mainly due to a reduction in employees participating in the car leasing scheme and to more active management of survey workloads.
Property	22,382	This underspend is due to lower than anticipated expenditure on energy and repairs and maintenance.
Supplies and Services	40,078	This underspend is due to savings in a number of headings (such as postages, printing and stationery) due to operational reviews.

Balance Sheet

The balance sheet is shown on page 31 and features an assessed pension fund liability of £3.810m based on the valuation of the fund at 31 March 2013. 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 41 to 44 the valuation states that assets held at the valuation date were sufficient to cover only 76% 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 £0.987m as advised by the appointed actuaries. The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers together with planned increases in employer' contributions provide sufficient security and income to meet future pension liabilities.

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

Foreword by the Treasurer (Cont'd)

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 (12/13 £54,389) 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 2013 the Board held total usable reserves of £732,331 (of which £77,488 are unapplied capital reserves). With the remaining balance comprising revenue reserves of £654,843. Once the earmarked balances (£111,528) have been accounted for, this leaves £543,315 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
30 June 2013

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 2013					2011/2012	
	Gross Salary, Fees & Allowances £	Bonuses £	Taxable Expenses £	Non-cash expenses & benefits in-kind £	Total remuneration £	Total remuneration £	
David Thomson Assessor & Electoral Registration Officer	92,267	0	0	0	92,267	92,319	
Alistair Boyd Depute Assessor	75,456	0	0	0	75,456	73,947	

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.

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Remuneration Report (Cont'd)

Remuneration of Employees receiving more than £50,000

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

Remuneration Bands £	Number of Employees	
	2012/2013	2011/2012
50,000 - 54,999	2	2
55,000 - 59,999	0	0
60,000 - 64,999	0	0
65,000 - 69,999	0	0
70,000 - 74,999	1	1
85,000 - 89,999	0	0
90,000 - 94,999	1	1
Total	4	4

Pension Benefits

The term pension benefits covers in-year pension contributions for the employee by the Board and the named person's accrued pension benefits at the reporting date.

Pension Benefits of Senior Employees

In-year pension contributions (employers)

	For year to 31 March 2013 £	For year to 31 March 2012 £
David Thomson	17,547	17,547
Alistair Boyd	14,038	14,038

	Accrued pension benefits – pension		Accrued pension benefits – lump sum	
	For year to 31 March 2013 £	For year to 31 March 2012 £	For year to 31 March 2013 £	For year to 31 March 2012 £
David Thomson	32,726	31,211	79,995	79,995
Alistair Boyd	36,232	34,945	94,149	93,925

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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 £19,400 5.50%; above £19,400 and up to £23,700 7.25%; above £23,700 and up to £32,500 8.50%; above £32,500 and up to £43,300 9.50%; and above £43,300 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.

Signed: David Thomson
Assessor and Electoral Registration
Officer

Signed : Stephen West
Treasurer

Date: 30 June 2013

Date: 30 June 2013

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;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- to approve the Financial Statements.

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 this Financial Statements, 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

Statement on the System of Internal Financial Control

This statement is given in response to the financial statements of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2013. We acknowledge our responsibilities for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within both the Joint Board and West Dunbartonshire Council in particular, the system includes:

- 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.

West Dunbartonshire Council's Audit and Risk Manager (Chief Internal Auditor) 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 endorsed by the Audit & Performance Review Committee of the Council. This Committee meets regularly and received reports from the Audit and Risk Manager. Our 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 the CIPFA Code of Practice for Internal Audit in Local Government. The Audit and Risk Manager meets regularly with chief internal auditors for other authorities and staff 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 2013;
- 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 West Dunbartonshire Council's internal control system in the year to 31 March 2013.

Signed: David Thomson
Assessor and Electoral Registration
Officer

Signed : Stephen West
Treasurer

Date: 30 June 2013

Date: 30 June 2013

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
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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 £	
Opening Balance as at 1 April 2012	498,136	161,862	736,792	85,152	(2,823,000)	(16,793)	(1,357,851)
Movements in Reserves							
Surplus or (Deficit) on provision of Services	90,563	0	0	0	0	0	90,563
Other Comprehensive Income and Expenditure	0	0	0	0	(952,000)	0	(952,000)
Total Comprehensive Income and Expenditure	90,563	0	0	0	(952,000)	0	(861,437)
Adjustments between accounting basis & funding basis							
Depreciation/ Impairment	33,678	0	(33,678)	0	0	0	0
Pension Scheme Adjustment	35,000	0	0	0	(35,000)	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
Total Statutory Adjustments	66,144	(84,374)	50,696	0	(35,000)	2,534	0
Increase/Decrease in Year	156,707	(84,374)	50,696	0	(987,000)	2,534	(861,437)
Balance at 31 March 2013	654,843	77,488	787,488	85,152	(3,810,000)	(14,259)	(2,219,288)

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

Movement in Reserves Statement (Cont'd)

Comparative figures 2011/12

	Usable Reserves		Unusable Reserves				Total Reserves £
	Fund Balance £	Capital Requisition Unapplied Account £	Capital Adjustment Account £	Revaluation Reserve £	Pension Reserve £	Statutory Mitigation Account £	
Opening Balance as at 1 April 2011	298,844	115,706	721,513	85,152	(1,219,000)	(15,869)	(13,654)
Movements on Reserves							
Surplus or (Deficit) on provision of Services	352,803	0	0	0	0	0	352,803
Other Comprehensive Income and Expenditure	0	0	0	0	(1,697,000)	0	(1,697,000)
Total Comprehensive Income and Expenditure	352,803	0	0	0	(1,697,000)	0	(1,344,197)
Adjustments between accounting basis & funding basis							
Depreciation/ Impairment	27,915	0	(27,915)	0	0	0	0
Pension Scheme Adjustment	(93,000)	0	0	0	93,000	0	0
Net Transfer to or from earmarked reserves required by legislation (i.e. holiday pay accrual)	924	0	0	0	0	(924)	0
Capital receipts applied to fund capital expenditure	(43,194)	0	43,194	0	0	0	0
Capital Requisitions unapplied	(28,156)	28,156	0	0	0	0	0
Adjustments between accounting basis and funding basis under regulations	(18,000)	18,000	0	0	0	0	0
Total Statutory Adjustments	(153,511)	46,156	15,279	0	93,000	(924)	0
Increase/Decrease in Year	199,292	46,156	15,279	0	(1,604,000)	(924)	(1,344,197)
Balance at 31 March 2012	498,136	161,862	736,792	85,152	(2,823,000)	(16,793)	(1,357,851)

Note: The 2011/12 figures have been restated as a result of the Board introducing a policy on Balances and Reserves in financial year 2012/13. Note 16 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

2011/12 Gross Expenditure £	2011/12 Gross Income £	2011/12 Net Expenditure £	Notes	2012/13 Gross Expenditure £	2012/13 Gross Income £	2012/13 Net Expenditure £
0	(30,352)	(30,352)		0	(31,476)	(31,476)
Income						
				0	(31,476)	(31,476)
Expenditure						
2,008,647	0	2,008,647		2,085,851	0	2,085,851
93,597	0	93,597		102,898	0	102,898
48,020	0	48,020		44,133	0	44,133
202,988	0	202,988		203,422	0	203,422
34,420	0	34,420		29,194	0	29,194
149,788	0	149,788		136,055	0	136,055
27,915	0	27,915	5/6	33,678	0	33,678
2,565,375	(30,352)	2,535,023		2,635,231	(31,476)	2,603,755
		(2,719,460)	14			(2,719,460)
		(2,719,460)				(2,719,460)
		(184,437)				(115,705)
		(16)				(858)
		(97,000)	3			26,000
		(71,350)				0
		(168,366)				25,142
		(352,803)				(90,563)
		1,697,000	3			952,000
		1,697,000				952,000
		1,344,197				861,437

Note: The 2011/12 figures have been restated as a result of the Board introducing a policy on Balances and Reserves in financial year 2012/13. Note 16 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

2011/12			2012/13
£	Notes		£
819,678	5	Property, plant and equipment	872,973
2,600	6	Intangible Assets	0
<u>822,278</u>		Total Long Term Assets	<u>872,973</u>
807,446	7	Short Term Debtors	876,171
400	8	Cash and Cash Equivalents	400
<u>807,846</u>		Current Assets	<u>876,571</u>
(164,975)	9	Short Term Creditors	(158,832)
<u>(164,975)</u>		Current Liabilities	<u>(158,832)</u>
(2,823,000)	3	Net Pensions Liability	(3,810,000)
<u>(2,823,000)</u>		Long Term Liabilities	<u>(3,810,000)</u>
<u>(1,357,851)</u>		Net Assets/(Liabilities)	<u>(2,219,288)</u>
		Represented by:	
659,998	10/11	Usable Reserves	732,331
(2,017,849)	12	Unusable Reserves	(2,951,619)
<u>(1,357,851)</u>		Total Reserves	<u>(2,219,288)</u>

The unaudited Financial Statements were issued on 30 June 2013.

Note: The 2011/12 figures have been restated as a result of the Board introducing a policy on Balances and Reserves in financial year 2012/13. Note 16 provides an explanation of the adjustments to prior year's figures.

Stephen West
Treasurer
30 June 2013

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

Cash Flow Statement

2011/12 £	Notes		2012/13 £
		Operating Activities	
(2,719,460)		Grants	(2,719,460)
(30,352)		Sale of goods and rendering of services	(31,476)
<u>(2,749,812)</u>		Cash Inflows from Operating Activities	<u>(2,750,936)</u>
2,135,232		Cash paid to and on behalf of employees	2,095,203
651,448		Other payments for operating activities	574,869
<u>2,786,680</u>		Cash Outflows from Operating Activities	<u>2,670,072</u>
<u>36,868</u>		Net Cash Flows from Operating Activities	<u>(80,864)</u>
		Investing Activities	
34,498		Purchase of Assets	81,721
(71,350)		Other receipts from investing activities	0
<u>(36,852)</u>		Net Cash Flows from Investing Activities	<u>81,721</u>
		Financing Activities	
(16)		Interest Received	(857)
<u>(16)</u>		Net Cash Flows from Financing Activities	<u>(857)</u>
<u>0</u>		Net (Increase)/Decrease in Cash and Cash Equivalents	<u>0</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>0</u>			<u>0</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 2012/13 financial year and its position at the year end of 31 March 2013. 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 2012/13 ("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.

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.

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.

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

Note 1 - Accounting Policies (Cont'd)

7. Property, Plant and Equipment

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

Recognition

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

Measurement

Initially measured at cost, comprising of:

- Purchase price;
- Any costs associated with bringing the asset to the location or condition necessary for it to be capable of operating in the manner intended by management;
- 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.

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

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

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

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)

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 Surplus or Deficit in 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 Fund balance by a credit to the Accumulating Compensated Absences Adjustment 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 Board 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 Fund of the amount by which the pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in Reserves Statement appropriations are required to and from the Pension Reserve to remove notional debits and credits for termination benefits related to pension's enhancements and replace them with the cost of the cash paid, including any amounts due and not paid at the year end.

Post Employment Benefits

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

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

- The liabilities of the pension fund attributable to the Board are included within the Balance Sheet on an actuarial basis using the projected unit method (i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based upon assumptions about mortality rates, employee turnover rates, projection of earnings for current employees, etc.
- Liabilities are discounted to their value at current prices using a discount rate of x% (based upon the indicative return rate on long dated high quality corporate bonds)
- The assets of the local government pension fund attributable to the Board are included in the Balance Sheet at their fair value as follows:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Unlisted securities – current bid price
 - Property – market value

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.
 - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
 - Expected return of assets – the annual investment return on the fund assets attributable to the Board, based on an average of the expected long term return – credited 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.

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

31 March 2012		31 March 2013
£		£
25,048	Not later than one year	26,420
110,686	Later than one year and not later than five years	110,565
78,466	Later than five years	52,167
214,200		189,152

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, printers, water coolers, fax, flexi machines and use of accommodation by entering into operating leases.

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

31 March 2012		31 March 2013
£		£
13,517	Not later than one year	13,966
39,869	Later than one year and not later than five years	31,474
35,742	Later than five years	29,246
<u>89,128</u>		<u>74,686</u>

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 2013/14 is set at 19.3%. In 2012/13, the Board paid an employer's contribution of £0.289m (2011/12 £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 2012/13 (2011/12 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.

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

2011/12		2012/13
£		£
	Net cost of services	
299,000	Current service cost	304,000
0	Past service cost	0
299,000		304,000
	Financing and investment Income and Expenditure	
714,000	Interest cost	664,000
(811,000)	Expected return on assets	(638,000)
(97,000)		26,000
202,000	Total post employment benefit charged to the Surplus or Deficit on the provision of Services	330,000
1,697,000	Actuarial gains and losses	952,000
1,899,000	Total post employment benefit charged to the comprehensive income and expenditure statement	1,282,000
	Movement in Reserves Statement	
202,000	Reversal of net charges made to surplus of deficit for post employment benefits	330,000
	Actual amount charged against the General Fund balance in the year	
289,000	Employer contributions payable to Scheme	289,000

Pension Assets and Liabilities

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

	2012/13	2011/12	2010/11	2009/10	2008/09
	£	£	£	£	£
Share of assets in the SPF	12,694,000	10,954,000	11,697,000	10,775,000	7,775,000
Estimated liabilities in the SPF	(16,352,000)	(13,636,000)	(12,779,000)	(14,757,000)	(8,521,000)
Movement in recoverable amount	0	0	0	0	0
Net (liabilities)/assets in the SPF	(3,658,000)	(2,682,000)	(1,082,000)	(3,982,000)	(746,000)
<u>Present Value of Unfunded Liabilities</u>	(152,000)	(141,000)	(137,000)	(111,000)	0
Pre Local Government Reorganisation					
Net pension asset/(liability)	(3,810,000)	(2,823,000)	(1,219,000)	(4,093,000)	(746,000)

For the Strathclyde Local Government Pension Scheme at 31 March 2013 the Board has a net liability £3,658,000 and for the unfunded liabilities a net liability of £152,000. The Board's net liability of £3,810,000 at 31 March 2013 reflects the future obligations to fund retirement benefits. This represents an increase in the net liability of £987,000 compared to the position at 31 March 2012.

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

Pension Assets and Liabilities (Cont'd)

The expected return on assets is based on long term future expected investment return for each asset class as at the beginning of the period. The expected rate of return is 4.5% as at 31/03/13, this is a decrease from 5.8% as at 31/03/12.

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

31/03/2012		31/03/2013
5.8%	Expected rate of return	4.5%
2.5%	Inflation/pension increase rate	2.8%
4.8%	Salary increase rate	5.1%
4.8%	Discount rate	4.5%
	<u>Breakdown of expected rate of return:</u>	
6.3%	Equity	4.5%
3.9%	Bonds	4.5%
4.4%	Property	4.5%
3.5%	Cash	4.5%

Mortality

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

	Males	Females
Current pensioners	21.0 years	23.4 years
Future Pensioners	23.3years	25.3 years

The local government pension scheme's assets consist of the following categories. As at 31 March 2013, assets are now held at bid value and the historic figures are at mid market value:

2011/12		2012/13
77%	Equity	76%
11%	Bonds	14%
7%	Property	7%
5%	Cash	3%

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

Pension Assets and Liabilities (Cont'd)

The actuarial gains/losses identified as movements on the Pension Reserve in 2012/13 can be analysed into the following categories:

	2012/13	2011/12	2010/11	2009/10	2008/09
	£000	£000	£000	£000	£000
Actual return less expected return in Pension Scheme Assets	993,000	(1,672,000)	76,000	2,428,000	(470,000)
As a percentage of scheme assets	7%	(15)%	1%	23%	(6)%
Experience gains and losses arising on the scheme liabilities	16,000	638,000	(11,000)	3,000	(2,061,000)
As a percentage of scheme liabilities	0%	(5)%	0%	0%	24%
(Cumulative)	(952,000)	(1,697,000)	1,705,000	(3,182,000)	(1,796,000)

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

2011/12		2012/13
£		£
12,916,000	Opening balance	13,777,000
299,000	Current service cost	304,000
714,000	Interest cost	664,000
104,000	Contributions by Members	104,000
25,000	Actuarial gains/losses	1,945,000
0	Past service costs/(gains)	0
0	Losses/(gains) on curtailment	0
(6,000)	Estimated unfunded benefits paid	(6,000)
(275,000)	Estimated benefits paid	(284,000)
<u>13,777,000</u>		<u>16,504,000</u>

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

2011/12		2012/13
£		£
11,697,000	Opening balance	10,954,000
811,000	Expected return on assets	638,000
104,000	Contributions by Members	104,000
289,000	Contributions by employer	289,000
6,000	Contributions in respect of unfunded benefits	6,000
(1,672,000)	Actuarial gains/(losses)	993,000
(6,000)	Estimated unfunded benefits paid	(6,000)
(275,000)	Estimated benefit paid	(284,000)
<u>10,954,000</u>		<u>12,694,000</u>

The total employee contributions expected to be made to the Local Government Pension Scheme for 2012/13 is £293,000 (2011/12 £289,000).

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Note 4 – External Audit Costs

In 2011/12 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:

2011/12		2012/13
£		£
8,011	Fees payable for external audit services	7,722
(609)	Rebate against previous year	(441)
7,402		7,281

Note 5 – Property, Plant and Equipment

<u>Figures 2012/13</u>	Land & Buildings	Plant & Equipment	Total
	£	£	£
Cost or Valuation			
As at 1 April 2012	807,525	82,890	890,415
Additions	78,519	5,855	84,374
As at 31 March 2013	886,044	88,745	974,789
Accumulated Depreciation and Impairment			
As at 1 April 2012	(45,842)	(24,895)	(70,737)
Depreciation Charge	(14,501)	(16,578)	(31,079)
As at 31 March 2013	(60,343)	(41,473)	(101,816)
Net Book Value at 31 March 2012	761,683	57,995	819,678
Net Book Value at 31 March 2013	825,701	47,272	872,973
<u>Comparative Figures 2011/12</u>			
Cost or Valuation			
As at 1 April 2011	788,346	58,875	847,221
Additions	19,179	24,015	43,194
As at 31 March 2012	807,525	82,890	890,415
Accumulated Depreciation and Impairment			
As at 1 April 2011	(32,300)	(13,120)	(45,420)
Depreciation Charge	(13,542)	(11,775)	(25,317)
As at 31 March 2012	(45,842)	(24,895)	(70,737)
Net Book Value at 31 March 2011	756,046	45,755	801,801
Net Book Value at 31 March 2012	761,683	57,995	819,678

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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:-

2011/12		2012/13
£		£
	Balance at start of year:	
12,992	Gross carrying amount	12,992
(7,794)	Accumulated amortisation	(10,392)
5,198	Net carrying amount at start of year	2,600
(2,598)	Amortisation for the period	(2,600)
2,600	Net carrying amount at end of year	0
	Comprising:	
12,992	Gross carrying amounts	12,992
(10,392)	Accumulated amortisation	(12,992)
2,600		0

Note 7 – Debtors

2011/12		2012/13
£		£
1,188	Other Entities and Individuals	4,090
806,258	Other Local Authorities	872,081
807,446		876,171

Note 8 – Cash and Cash Equivalents

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

2011/12		2012/13
£		£
400	Imprest	400
400		400

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Note 9 – Creditors

2011/12		2012/13
£		£
0	Central Government Bodies	5,467
0	Other Local Authorities	19,779
164,975	Other Entities and Individuals	133,586
<u>164,975</u>		<u>158,832</u>

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 reserves this year.

	£
Opening Balance at 1 April 2012	498,136
Gains/(Losses) on the fund	156,707
Closing Balance at 31 March 2013	654,843

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.

2011/12		2012/13	2012/13	2012/13
£		£	£	£
19,290	West Dunbartonshire Council	0		
18,130	East Dunbartonshire Council	0		
33,930	Argyll and Bute Council	0	0	
115,706	Unapplied Capital contributions b/forward	0	161,862	
18,000	Capital Financed through Current Revenue	0	0	
<u>205,056</u>	Capital expenditure incurred during the year:	<u>0</u>	<u>161,862</u>	161,862
(1,412)	Purchase of New Servers	0	0	
(19,833)	Upgrade PC's	0	(5,855)	
(2,770)	Review of communications	0	0	
(19,179)	Upgrade to buildings	0	(78,519)	(84,374)
<u>161,862</u>	Unapplied Capital contributions c/forward	<u>0</u>	<u>77,488</u>	<u>77,488</u>

Note 12 – Unusable Reserves

31 March 2012			31 March 2013
£			£
736,792	Capital Adjustment Account		787,488
85,152	Revaluation Reserve		85,152
(2,823,000)	Pension Reserve		(3,810,000)
(16,793)	Statutory Mitigation Account		(14,259)
<u>(2,017,849)</u>	Total Unusable Reserves		<u>(2,951,619)</u>

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Note 12 – Unusable Reserves (Cont'd)

Capital Adjustment Account

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

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

Revaluation Reserve

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

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

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

Pension Reserve

The pension reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post employment benefits in the comprehensive income and expenditure as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However statutory arrangements 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.

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

Note 14 – Contributions from Authorities

2011/12		2012/13
£		£
1,293,103	Argyll & Bute Council	1,308,183
691,015	East Dunbartonshire Council	678,472
735,342	West Dunbartonshire Council	732,805
2,719,460		2,719,460

Note 15 – 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 due from the local authorities to the Board are detailed in Note 14.

As at 31 March 2013 the Board held general reserves of £654,843.

Note 16 – Explanation of Prior Year Adjustments

The 2011/12 figures have been restated as a result of the Board introducing a policy on Balances and Reserves in financial year 2012/13. These changes have had an impact on the 2011/12 Movement in Reserves Statement; Comprehensive Income & Expenditure Statement and Balance Sheet (only those figures that have changed are included in the table).

	Original Balance £	Adjustment £	Revised Balance £
Movement in Reserves Statement			
<u>Usable Reserves</u>			
Fund Balance			
Opening Balance as at 1 April 2011	0	298,844	298,844
(Surplus) or Deficit on provision of Service	153,511	199,292	352,803
Total Comprehensive Income & Expenditure	153,511	199,292	352,803
Increase/Decrease in Year	0	199,292	199,292
Balance at 31 March 2012	0	498,136	498,136
Total Reserves			
Opening Balance as at 1 April 2011	(312,498)	298,844	(13,654)
(Surplus) or Deficit on provision of Service	153,511	199,292	352,803
Total Comprehensive Income & Expenditure	(1,543,489)	199,292	(1,344,197)
Increase/Decrease in Year	(1,543,489)	199,292	(1,344,197)
Balance at 31 March 2012	(1,855,987)	498,136	(1,357,851)

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Note 16 – Explanation of Prior Year Adjustments (Cont'd)

	Original Balance £	Adjustment £	Revised Balance £
Comprehensive Income & Expenditure Statement			
Transfer to Creditors	199,292	(199,292)	0
Other Operating Income	(2,520,168)	(199,292)	2,719,460
Net Operating Income	14,855	(199,292)	184,437
(Surplus)/Deficit on Provision of Services	(153,511)	(199,292)	352,803
Total Comprehensive Expenditure	1,543,489	(199,292)	1,344,197
	Original Balance £	Adjustment £	Revised Balance £
Balance Sheet			
Short Term Creditors	(663,111)	498,136	(164,975)
Net Assets	(1,855,987)	498,136	(1,357,851)
Usable Reserves	161,862	498,136	659,998
Total Reserves	(1,855,987)	498,136	(1,357,851)