

*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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

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**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
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**JOINT BOARD MEMBERS AND OFFICIALS AS AT 31 MARCH 2019**

**ARGYLL & BUTE COUNCIL**

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

**EAST DUNBARTONSHIRE COUNCIL**

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

**WEST DUNBARTONSHIRE COUNCIL**

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

**OFFICIALS**

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

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**MANAGEMENT COMMENTARY**

**GENERAL SERVICE AIMS AND OBJECTIVES**

**WHO WE ARE AND WHAT WE DO**

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

**OUR AIMS**

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

**COMMITMENTS**

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

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

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**1.0 INTRODUCTION**

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

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

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

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

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

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

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

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

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

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

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

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

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

**2.1 NON-DOMESTIC RATING**

**Aims**

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

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

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

**2017 Revaluation**

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

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

**Maintenance of the Valuation Roll**

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

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

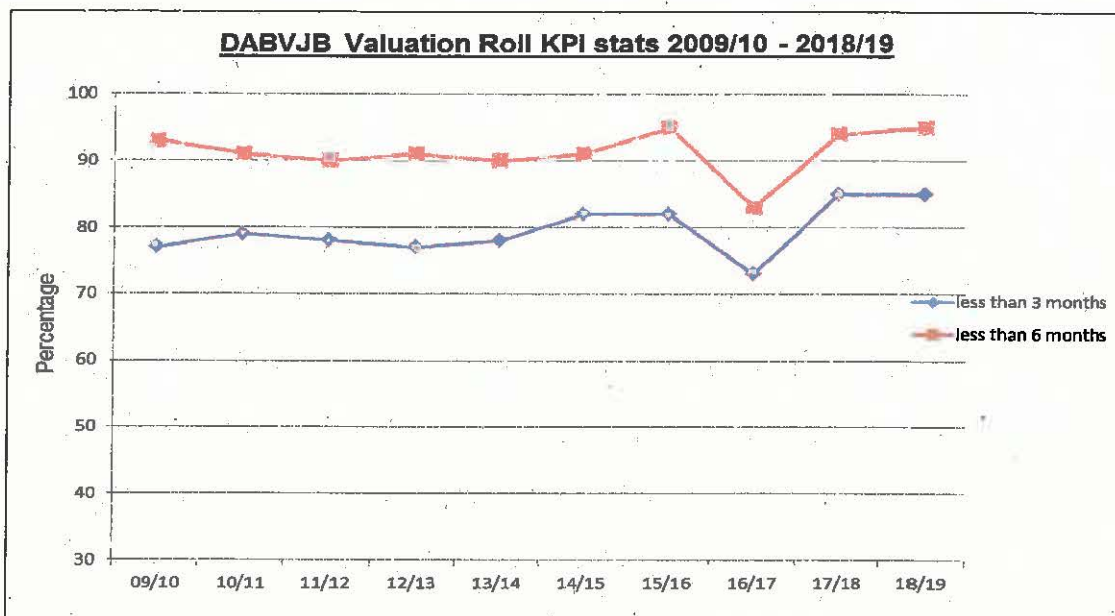
The national Key Performance Indicator in relation to non-domestic valuation has been defined as the time taken from the date on which amendments to the Valuation Roll are effective to the date a Valuation Notice in respect of that change is issued. The following table sets out the targets and actual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

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

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

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



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

**Lands Tribunal – 2005 and 2010 Appeals**

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

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

**2017 Running Roll Appeals**

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

**Barclay Review and Non-Domestic Rating Reform**

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

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

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

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

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

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

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

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

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

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

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

**2.2 COUNCIL TAX**

**Aims**

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

**Maintenance of Valuation List**

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

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



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

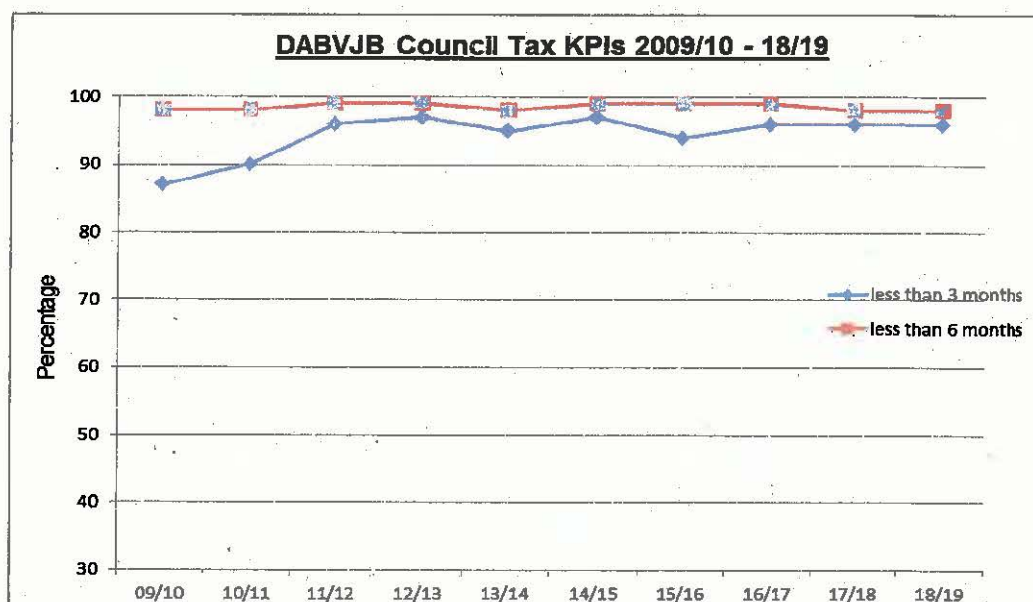
**Maintenance of Valuation List (Cont'd)**

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

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

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

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



**Proposals and Appeals**

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

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**2.3 ELECTORAL REGISTRATION**

**Aims**

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

**Electoral Registration and Publication of the Register**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Absent Voters**

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

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

**Rolling Registration**

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

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

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

**Electoral Performance**

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

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

**Electoral Events**

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

**Canvass Reform**

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

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

**Canvass Reform (Cont'd)**

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

**Miscellaneous Electoral Matters**

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

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

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

**3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY**

**IT and Computer Provision**

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

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

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

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

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

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

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

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

**Scottish Assessors Association Web Site**

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

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

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

**3.2 BEST VALUE**

**Key Performance Indicators and Public Performance Reporting**

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

**Performance Management and Planning**

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

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

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

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

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

**Audit**

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

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

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

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

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

**Customer Satisfaction**

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

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

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

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

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

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

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

**Customer Satisfaction (Cont'd)**

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

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

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

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

**Complaints Procedure**

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

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

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



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

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

**Financial Performance**

**Comprehensive Income and Expenditure Statement**

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

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

The main budget variances are shown below:

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

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

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

**Balance Sheet**

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

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

**General Reserves**

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

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

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

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

**Provisions and Contingencies**

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

**Group Annual Accounts**

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

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

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

**Risk Management**

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

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

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

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

**3.3 EQUALITIES**

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

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

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

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

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

**3.4 STAFFING MATTERS**

**Development and Training**

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

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

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

**3.4 STAFFING MATTERS (Cont'd)**

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

**Personnel Policies**

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

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

**Voluntary Early Retirement and Voluntary Severance**

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

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

**3.5 FREEDOM OF INFORMATION**

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

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

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

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

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

**3.6 DATA PROTECTION**

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

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

**3.6 DATA PROTECTION (Cont'd)**

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

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

**3.7 RECORDS MANAGEMENT**

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

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

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

**3.8 PARTNERSHIPS**

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

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

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

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

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

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

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

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

**4.0 CONCLUSION**

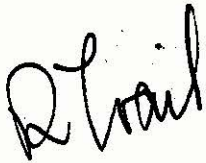
The major focus on the NDR valuation side of our operations 2018/19 was disposal of Revaluation appeals. Good progress was made in this regard, particularly in the early months of the year. Progress later in the year was hindered somewhat by the dependency on others in the Scottish Assessors Association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

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

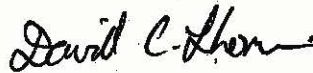
The IER system is now well established. The annual canvass return was up on last year, albeit the lower rates of return in the West Dunbartonshire area continue to be a source of concern, and the register was published on 1<sup>st</sup> December as is required by statute.

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

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



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



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



Stephen West  
Treasurer  
Date: 25 September 2019

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

**Introduction**

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

**Arrangements for Remuneration**

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

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

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

**Remuneration**

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

**Table 1: Remuneration of Senior Employees**

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

**Notes**

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
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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.

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

**Pension Benefits**

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

From 1 April 2009, a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Table 3 provides information on these tiered contribution rates.

**Table 3: Contribution Rate**

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

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49<sup>th</sup> of pay from 1 April 2015. Prior to this the accrual rate guarantees a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.



**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
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**REMUNERATION REPORT (Cont'd)**

**Pension Benefits of Senior Employees**

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

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

1. The LGPS is a career average pension scheme. This means that pension benefits from 1 April 2015 are based on pensionable pay with inflation added. Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 60 but are reduced if taken earlier than Normal Pension Age (State Pension Age). Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.
2. The lump sum, which is automatically paid when the person retires for service up to 31 March 2009, is three times his or her annual pension and is tax-free. There is no automatic lump sum for service after 31 March 2009. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.
3. The value of the accrued benefits in the above tables has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension age for members of the LGPS is 65.
4. The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government' service, and not just their current appointment.
5. The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. There were no discretionary payments made to senior employees during the year.

**Exit Packages**

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

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

**REMUNERATION REPORT (Cont'd)**


**Trade Union Facility Time**

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


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

**Table 5: Trade Union**

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



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



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

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

**STATEMENT OF RESPONSIBILITIES**

**The Boards Responsibilities:**

The Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Board has responsibility for the administration of those affairs. In this Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Annual Accounts for signature.

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

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

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



**The Treasurer's Responsibilities:**

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

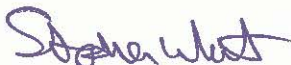
In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Code of Practice on Local Authority Accounting in the United Kingdom.

The Treasurer has also:

- kept adequate accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Financial Statements give a true and fair view of the financial position of the Board at the reporting date and the transactions of Board for the year ended 31 March 2019.



Stephen West  
Treasurer  
Date: 25 September 2019

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

**ANNUAL GOVERNANCE STATEMENT**

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

**Scope of Responsibility**

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

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

**Governance Framework**

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

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

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

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

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

[https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/dlm\\_uploads/2018/03/2018-03-02-Documnt-Pack-VJB-as-circulated.pdf](https://www.saa.gov.uk/dab-vjb/wp-content/uploads/sites/5/dlm_uploads/2018/03/2018-03-02-Documnt-Pack-VJB-as-circulated.pdf)

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

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

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

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

Within the overall control arrangements the system of internal control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The overall control arrangements include:

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

**Review of Effectiveness**

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

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

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

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

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

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

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

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

**Annual Performance**

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

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

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

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

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

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

**Annual Performance (Cont'd)**

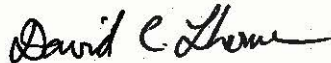
- To ensure compliance with future statutory requirements, consideration will be given to the Non-Domestic Rates (Scotland) Bill and all related secondary legislation being considered by the Scottish Parliament. The recently established internal project team will develop and deliver the systems and process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

**Assurance**

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



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



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



Stephen West  
Treasurer  
Date: 25 September 2019

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

**INTRODUCTION TO ANNUAL ACCOUNTS**

The Annual Accounts comprise the following primary statements:

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

**Comprehensive Income and Expenditure Statement**

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

**Movement in Reserves Statement**

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

**Balance Sheet**

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

**Cash Flow Statement**

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



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

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

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

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

**MOVEMENT IN RESERVES STATEMENT**

**2018/19**

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

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

**MOVEMENT IN RESERVES STATEMENT**

**2017/18**

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

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

**BALANCE SHEET AS AT 31 MARCH 2019**

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

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



**Stephen West**  
**Treasurer**  
**25 September 2019**

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

**CASH FLOW STATEMENT**

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

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

**NOTES TO THE ANNUAL ACCOUNTS**

**Note 1 - Accounting Policies**

**1. General Principles**

The Annual Accounts summarise the Board's transactions for the 2018/19 financial year and its position at the year end of 31 March 2019. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 ("the Code") and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

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

**2. Accruals of Income and Expenditure**

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

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

**3. Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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

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

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

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

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

**4. Changes in Accounting policies, Estimates and Errors**

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

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

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

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

**5. Charges to Revenue for non-current assets**

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

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

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

**6. Intangible assets**

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

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

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

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
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**Note 1 - Accounting Policies (Cont'd)**

**7. Property, Plant and Equipment**

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

Recognition

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

Measurement

Initially measured at cost, comprising of:

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

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

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

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

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

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

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

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

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



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

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

Impairment

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

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

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

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

Depreciation

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

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

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

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

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

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

**8. Employee Benefits**

**Benefits payable during employment**

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

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

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

**8. Employee Benefits (Cont'd)**

**Termination Benefits**

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

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

**Post-Employment Benefits**

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

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

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
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**Note 1 - Accounting Policies (Cont'd)**

**8. Employee Benefits (Cont'd)**

- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve; and
- Contributions paid to the local government pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

**Discretionary Benefits**

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

**9. Events after the reporting period**

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

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

**10. Operating Leases**

**Board as Lessee**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight line basis over the life of the lease, even if it does not match the pattern of payment.

**Board as Lessor**

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

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

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

**11. Provisions, contingent liabilities and contingent assets**

**Provisions**

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

Provisions are charged as an expense to the Comprehensive Income and Expenditure Statement in the year the Board becomes aware of the obligation and measured at the best estimate at the Balance Sheet date, taking account of relevant risks and uncertainties.

When payments are eventually made they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits is now required; the provision is reversed and credited back to the relevant service.

**Contingent Liabilities**

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

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

**Contingent assets**

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

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

**12. VAT**

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

**13. Reserves**

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

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

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

**Note 2 – Expenditure and Funding Analysis**

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

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

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

**2018/19**

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

**Restated 2017/18**

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

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

**Note 3 – Operating Leases**

**Board as Lessor**

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

The minimum lease payments in future years are:

<b>31 March 2018</b>		<b>31 March 2019</b>
<b>£000</b>		<b>£000</b>
2	Not later than one year	2
0	Later than one year and not later than five years	0
0	Later than five years	0
<u>2</u>		<u>2</u>

**Board as Lessee**

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

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

<b>31 March 2018</b>		<b>31 March 2019</b>
<b>£000</b>		<b>£000</b>
5	Not later than one year	5
9	Later than one year and not later than five years	4
0	Later than five years	0
<u>14</u>		<u>9</u>

**Note 4 – Defined Benefit Pension Schemes**

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

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

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

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

The Board recognised the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However the charge that the Board is required to make against its budget is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserve statement. The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year.

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD**  
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**Note 4 – Defined Benefit Pension Schemes (Cont'd)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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**Pension Assets and Liabilities (Cont'd)**

**Asset and Liability Matching Strategy (ALM)**

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

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

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

Mortality

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

	<b>Males</b>	<b>Females</b>
Current pensioners	21.4 years	23.7 years
Future Pensioners	23.4 years	25.8 years

**Sensitivity Analysis**

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

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

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

**Note 5 – External Audit Costs**

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

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

**DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD  
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**Note 6 – Property, Plant and Equipment**

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

**Revaluations**

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

**Note 7 – Intangible Assets**

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

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

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

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

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**Note 8 – Debtors**

2017/18 £000		2018/19 £000
5	Other Entities and Individuals	9
680	Other Local Authorities	673
<u>685</u>		<u>682</u>

**Note 9 – Cash and Cash Equivalents**

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

2017/18 £000		2018/19 £000
0	Imprest	0
<u>0</u>		<u>0</u>

**Note 10 – Creditors**

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

**Note 11 – Balances & Reserves**

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

	£000
<b>Opening Balance at 1 April 2018</b>	<b>551</b>
Gains/(Losses) on the fund	1
<b>Closing Balance at 31 March 2019</b>	<b><u>552</u></b>

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

**Note 12 – Capital Expenditure and Capital Financing**

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

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

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**Note 13 – Unusable Reserves**

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

**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.

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**Note 14 – Contingent Assets & Liabilities**

The Board has not identified any Contingent Assets and Liabilities.

**Note 15 – Contributions from Authorities**

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

**Note 16 – Government Grants**

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

<b>2017/18 £000</b>		<b>2018/19 £000</b>
70	Cabinet Office	66
<u>70</u>		<u>66</u>

**Note 17 – Related Parties**

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

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

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

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

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the Dunbartonshire and Argyll & Bute Valuation Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### **Basis for opinion**

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

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

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

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

#### **Risks of material misstatement**

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

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

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

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

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

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

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

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

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Report on other requirements

### Opinions on matters prescribed by the Accounts Commission

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

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

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

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.
- I have nothing to report in respect of these matters.

### Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

### Use of my report

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



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

25 September 2019