



Central Scotland
Valuation Joint Board

Assessor
for Central Scotland

Annual Accounts
2021-2022

CENTRAL SCOTLAND VALUATION JOINT BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021/22

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CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2021/22

Introduction

This commentary sets the scene and context for the Financial Statements for Central Scotland Valuation Joint Board (the Board) for the year ended 31 March 2022. This commentary provides specific details in relation to the Board's financial position, its priorities and performance and our strategies and plans for achieving these objectives. The Management Commentary is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. The Annual Accounts have been compiled in accordance with the Code requirements which govern the format and content contained within them.

Strategic Context

Central Scotland Valuation Area covers three council areas of Clackmannanshire, Falkirk and Stirling. The Board's budgeted staffing for 2021/22 was 47.9 FTE. All employees are primarily based in Stirling at the administrative headquarters, Hillside House, however, most have been homeworking due to the pandemic, though a move to hybrid working on a trial basis has taken place.

Members and Officials

The Board comprises 15 elected members drawn from the three constituent authorities of Falkirk, Stirling and Clackmannanshire Councils. The following list shows the members of the Board throughout the 2021/22 financial year. This is subject to change for the 2022/23 financial year following the Scottish Local Government elections held in May 2022.

Appointed Members:-

FALKIRK COUNCIL

Councillor D Alexander
Councillor L Binnie
Councillor J Coombes
Councillor D Grant
Councillor A Nimmo
Councillor J Patrick
Councillor R Spears

STIRLING COUNCIL

Councillor D Dodds
Councillor D Gibson
Councillor J MacDonald
Councillor J Thomson

CLACKMANNANSHIRE COUNCIL

Councillor K Earl
Councillor M Benny

During the 2021/22 financial year, the Board Convener was Councillor Balfour from Falkirk Council and the Depute Convener was Councillor Holden from Clackmannanshire Council.

The Board is supported by its Clerk, Colin Moodie from Falkirk Council and its Treasurer, Lindsay Sim from Clackmannanshire Council. Finance, Legal and HR services are currently provided by Clackmannanshire Council.

The Board also appoints an Assessor for the Valuation Area and bears the costs of the Assessor carrying out his statutory duties. The three Councils have also appointed the Assessor as Electoral Registration Officer (ERO) and again bears the costs of the ERO carrying out his statutory duties. The Assessor & ERO is Pete Wildman.

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The Assessor & ERO has three core statutory duties:

- Valuation of Lands and Heritages;
- Compiling the Valuation List, and
- Compiling the Register of Electors.

Further detail on each of these duties is provided below.

1. Valuation of Lands and Heritages

The Valuation Roll contains every non-domestic property (unless exempted by statute) in the Valuation Area showing the rateable value of the property. Rateable value is effectively the estimated rental value of the property. As at 31 March 2022 there were 13,340 non-domestic properties in Central Scotland with a total rateable value of £347,060,660. The Roll includes commercial properties like shops and offices, industrial properties from small workshops to giants like the petrochemical works and the refinery at Grangemouth, and publicly owned properties such as schools and sport centres. The Assessor maintains survey records of each property and is obliged by law to carry out regular revaluations of non-domestic properties. The most recent revaluation came into effect on 1 April 2017. Between revaluations the Assessor must maintain the Roll to reflect new and altered properties. Following the revaluation some 4,500 appeals were received which is approximately a 17% increase from the 2010 Revaluation. A planned programme of appeal disposal was agreed with the Secretary to the Central Scotland Valuation Appeal Panel to ensure all appeals were disposed of by the statutory deadline. This was originally 31 December 2020 but due to the effects of the current pandemic it was extended to 31 December 2021.

All appeals were listed for hearing ahead of the deadline with the majority now resolved although we are still awaiting some decisions from the Valuation Appeal Committee. Some appeals were referred to the Lands Tribunal for Scotland and these will be listed for hearing in due course.

The vast majority of valuation appeals from the 2005 Revaluation have been dealt with, three remain outstanding all of which have been referred to the Lands Tribunal. Of the original 3,877 appeals lodged following the 2010 Revaluation, two appeals have still to be settled as at the end of May 2022. The appeals on these properties have all been referred to the Lands Tribunal for determination. We have also dealt with seven appeals arising from changes to the 2010 Roll since it was first made up.

By the end of the financial year 2021/22, 5,845 Material Change of Circumstance appeals lodged as a result of the Covid-19 pandemic remain outstanding. This presents a significant challenge for all Assessors and in recognition the Scottish Government has recently legislated to extend the time for disposing these appeals to 31 December 2023. The Scottish Government has also laid a Bill before the Scottish Parliament with the policy aim of removing Covid-19 as a factor in valuations post 2 April 2020. If passed, this will assist in the disposal of these appeals.

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The next Revaluation is due on 1 April 2023, with a “tone date of 1 April 2022. The “Tone” date is the point in time for rental and cost levels to be used to set the valuations. In the past this has been a date two years prior to the Revaluation. It will now be one year prior. In doing this it brings into effect one of the Barclay Review recommendations earlier than originally planned. Work is well underway to deliver the 2023 Revaluation. This Revaluation will also see parts of public parks previously excluded from the Valuation Roll brought into the Roll. This will require us to carry out survey and research. The first milestone will be the publication of a draft Valuation Roll and the issue of draft Notices on 30 November 2022.

From 2021, the Assessor now has powers to levy Civil Penalties on anyone who fails to respond to a request for information. We have issued Assessor Information Notices during 2021/22 that advise that a Civil Penalty can be levied in the event of non-return, reminders have also been issued. As yet we have not issued any Civil Penalty Notices, though anticipate doing so during 2022/23.

2. Compiling the Valuation List

All domestic properties are shown in the Valuation List. The Assessor places every domestic property in a valuation band based on the capital value that the property would have had at April 1991 and in line with statutory assumptions. The construction of new buildings has continued during the pandemic resulting in new entries being made to the Valuation List. Work also continues to review the bandings of properties which have been sold and those that have been extended since they were last banded. As at 1 April 2021 there were 148,536 domestic properties on the Council Tax Valuation List in Central Scotland and 1,154 new entries were added to the Valuation List during 2021/22, which is slightly in excess of pre-pandemic levels and an increase from 611 in 2020/21.

3. Compiling the Register of Electors

The Register of Electors is published annually and is a listing of every declared eligible elector in each local authority area set against the local address that satisfies the residence qualification. The Register is used for all Local Government, United Kingdom, Scottish and European Parliamentary Elections. It is also used for Community Councils' elections and for referendums. In combination with data from other Electoral Registration Officers it is used to compile a register as required for National Park Elections. The Electoral Registration Officer is also required to publish an Open Register and to maintain Absent Voter Lists.

The new Register of Electors was published on 1 December 2021 with the number of Local Government electors increasing to 236,730. The Register contains details of 14 and 15 year olds, however, these details are not shown in published copies of the Register.

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MANAGEMENT COMMENTARY 2021/22

The second of the new style canvasses was carried out during 2021/22, this saw us matching our registers to Department for Work and Pensions and local databases. Where the other databases aligned with the Register for all electors in a property then that household only received a single communication. Where records did not align for all electors and if there was no response to the initial communication then follow up activity took place. Due to the relaxation of pandemic restrictions it was possible to carry out door to door canvassing in the run up to the publication of the new register. There was also the Scottish Local Government Elections in May 2022 which saw us issue Household Notification Letters to all households in the area, alerting them to the forthcoming election and advising them of who was registered in the household and who had a postal vote. The letter also set out how to register to vote and apply for a postal vote and the deadlines for doing so. This proved effective in encouraging people to apply early and helped to reduce the pressure on the final days for registering or applying for a postal vote. The election went well with no major issues arising.

Service Plan

In common with other public sector organisations, the Board also has to ensure that it complies fully with Health & Safety, Data Protection, Freedom of Information, Records Management and Equalities Duties. These duties represent a sizeable workload for the organisation. There has also been significant resource needed to ensure that the Board has adequate Cyber Security arrangements in place. The Covid-19 pandemic saw the organisation move to a position with all employees now working from home at some point during the working week.

The Boards current service plan covers the period 2019 to 2022 and was presented to the Board in 2019. The Service plan sets out the core statutory functions as outlined above and its objectives in relation to these functions. The plan also sets out the objectives in relation to: Corporate Governance, Accountability, Best Value, Equal Opportunities, Staffing and Personnel, Finance and Budgeting, Information Technology, Freedom of Information and Key Partnerships.

The Service Plan can be found using the following link:

https://www.saa.gov.uk/central/wp-content/uploads/sites/3/dlm_uploads/2019/07/Service-Plan-2019.pdf

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Strategic Financial Planning

In the approved Budget for 2022/23, set in March 2022, the medium term forecast suggested an anticipated funding gap of between £1.086m and £1.9210m by 2026/27 (largely impacted by the ongoing funding for Barclay after 2024/25). The Board agreed to utilise £133k of reserves in setting its 2022/23 budget. After commitments the Board held reserves of £272k at 31 March 2022.

Although the financial position continues to be difficult, a healthy reserves position and confirmed funding from constituent authorities for 2022/23 enabled the Board to set a balanced budget for the financial year 2022/23 ensuring that the Board continues to operate over the medium term. As part of the 2021/22 Scottish Local Government Settlement, the Scottish Government reaffirmed their intention to continue to fund Barclay implementation costs for 2022/23 and up to 2024/25. In considering the above factors and the Boards continual track record of managing annual pressures and setting a balanced budget, the Board remains confident that it is a going concern.

The Assessor & ERO is taking steps to ensure that the Board's cost base is sustainable for the medium to long term, though this remains challenging given the limited areas for review. The scanning of all the domestic property files was completed by May 2019. Work is continuing on scanning the non-domestic files and other records. This gives the Board greater flexibility in its current review of property requirements ahead of the lease expiry on its current premises in June 2023. Work continues to streamline, automate and digitise work processes and data inputs. Good progress continues to be made with the SharePoint records management system. During the year there have been changes at Senior Management level with the two previous Divisional Assessors moving to posts in other Valuation Joint Boards and new Divisional Assessors being appointed. The focus for the coming years will continue to be on optimising records management, reviewing internal business processes to ensure that the efficiency of service delivery is maximised and to keep the staffing structure under review so that it best meets the organisations needs. These priorities and actions are all reflected in the Management Team's three year service plan.

The financial position presented in the financial statements provides the basis from which the Board and the Assessor will address the challenging times ahead and support the necessary transition to new, more efficient models of service delivery for the future.

The balance sheet shows a net liability position for 2021/22 due to a deficit in the pension scheme. The liability has decreased in the year due to an increase in the net discount rate for the year to 31 March 2022 which is used in the valuation of the pension fund liabilities. The pension position is not expected to have a short term impact on the financial viability of the Board. The Assessor and Treasurer will review the long term sustainability to meet the pension contributions as part of the budget process considering advice provided by the actuary.

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MANAGEMENT COMMENTARY 2021/22

Business Performance

The Board receives and monitors performance reports on a regular basis. The current arrangements have been in place since the core indicators were agreed with the then Scottish Executive and Accounts Commission in October 2000. Reports also include trend information covering the previous three years' performance. Key performance indicators measuring performance against targets for the last three years are set out in Exhibit 1 below. This summary indicates a decline in performance between that achieved in 2019/20 and that achieved in subsequent years which is partly reflective of the enforced changes in working practices as a result of the pandemic and also the difficulties in the recruitment of qualified employees. As working arrangements become more embedded, and recruitment is progressed, it is hoped that we will see an improvement on these figures for 2022/23.

Exhibit 1: Performance against key targets 2019/20 to 2021/22

Indicator – Valuation Roll	2019/20 Target %	2019/20 Actual %	2020/21 Target %	2020/21 Actual %	2021/22 Target%	2021/22 Actual %
Changes made in less than 3 months	75	71	75	64	70	62
Changes made in less than 6 months	90	87	90	84	88	79
Changes made in more than 6 months	10	13	10	16	12	21

Indicator – Valuation List	2019/20 Target	2019/20 Actual	2020/21 Target %	2020/21 Actual %	2021/22 Target%	2021/22 Actual %
In less than 3 months	97	97	97	94	94	94
In less than 6 months	99	99	99	97	97	97
In more than 6 months	1	1	1	3	3	3

The targets for 2022/23 have remained the same as 2021/22 to reflect the ongoing difficulties in staff recruitment and the additional work of a Revaluation year. As part of cost reductions for the future, the Board may look at the cost of maintaining these levels of performance and whether there is the potential to reduce costs by taking explicit decisions to reduce service standards. Should such proposals be considered, these would involve consultation with our key partners and stakeholders. It should be noted that all the functions of the Assessor & ERO are statutory and prescribed.

Financial Performance 2021/22

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and they present a true and fair view of the financial position of the Board and its income and expenditure for the year ended 31 March 2022. A brief explanation of each statement and its purpose is provided on pages 31-33. An Annual Governance Statement is also provided at page 19 and a Remuneration Report is included at page 23.

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The final Outturn position in the management accounts reports an underspend of £(232)k, £(182)k of this is due to the impact of COVID and homeworking as follows:

- £(91)k Delays in recruitment of vacancies,
- £(59)k Delays in recruitment of vacancies for Barclays Review,
- £(16)k Reduced staff travel,
- £(22)k Reductions due to home working in cleaning, utilities, building costs, etc.,
- £3k Reduced income for recharges of hospitality/travel costs, and
- £3k Increase in telephone/mobile costs for home working accessibility.

The balance of £(50)k is made up of the following non COVID variances:

- £(4)k Reduction in Staff Training costs,
- £(13)k Decrease costs for overtime,
- £7k Increase in postages,
- £(5)k No advertising costs incurred,
- £(7)k Other agencies reduced costs,
- £(4)k No spend in Computer Hardware Maintenance for 2021/22,
- £3k Increase in cost of Publications,
- £2k Disaster Recovery due to price increase,
- £(26)k Computer software maintenance forecasting under budget as several costs are now not required this financial year,
- £(1)k Additional income for sale of registers, and
- £(2)k Small various underspends (purchase of furniture, purchase of equipment, relocation costs, additional laptops, legal expenses etc).

The deficit on the provision of services for the financial year reported in the Comprehensive Income and Expenditure Statement is £501k (page 31). However this includes £606k of accounting adjustments which require to be reversed out in the Movement in Reserves Statement which results in a net contribution to reserves of £105k.

The table below reconciles the Outturn position to the (Surplus) or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis in note 6 on page 44.

Outturn Position		£000
		(233)
Funding from Reserves		128
(Surplus) /Deficit		(105)
Adjustments between Funding & Accounting basis	Note 7	606
(Surplus) /Deficit on Provision of Services		501

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The usable reserves surplus brought forward from previous years is £518k. The usable reserves surplus in the year, per above, is £105k therefore the surplus carried forward to future years is £623k. This balance of £623k has been retained as a surplus attributable to the constituent authorities in usable reserves.

Of the £623k usable reserves balance at 31 March 2022, £348k is earmarked for specific purposes as approved by the Board in March 2022 when setting the budget. The committed balance can be summarised as follows:

Exhibit 2: Committed reserves 2021/22 at March 2022

	Total
	£000
2022/23 Budget Funding	133
Barclays 2021/22 Underspend Ring Fenced	87
Property Maintenance Fund	122
Pay Award Element up to 2%	6
Net Committed Reserves per 2022/23 Budget	348
Barclays 2021/22 Cost Guides	2
Net Committed Reserves as at 31 March 2022	350

Since the 2022/23 Budget was presented in March 2022, a further earmarked reserve of £2k has also been added for Barclays relating to Cost Guides that was delayed and will now be carried out in 2022/23. All other earmarked reserves remain the same resulting in a committed balance of £350k.

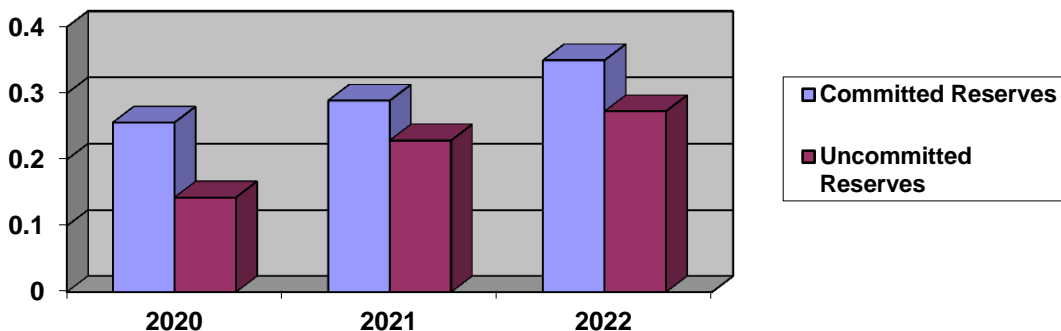
As a result of the above, of the £623k usable reserves, £273k are uncommitted, representing a level of 8.8% of budgeted net expenditure. When the Board approved the 2022/23 Budget on 4 March 2022, approval was given to maintain the minimum uncommitted reserve balance at a range of 3% to 6% of budgeted net expenditure to allow for year on year flexibility. As this is higher than the approved level of between 3% and 6% this will be reviewed during the year by the Board's Treasurer to ensure that this level is prudent to ensure the financial sustainability of the Board.

The movement in the Board's usable reserves position over the last three years (trend) is shown below:

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MANAGEMENT COMMENTARY 2021/22

Exhibit 3: Trend in reserves position 2019/20-2021/22
million



A comprehensive analysis of the Board's reserves is provided in the Movement in Reserves Statement on page 32 and supporting notes.

Financial Ratios

The Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance Section recommends that certain financial ratios are included in the Management Commentary to assist the reader to assess the performance of the Board over the financial year and of the affordability of its ongoing commitments. The following table provides the indicators with an explanation of each, grouped into CIPFA categories for the various areas of financial activity.

Financial Indicator	Commentary	2020/21	2021/22
Reserves			
Uncommitted General Fund Reserve as a proportion of Annual Budgeted Net Expenditure	Reflects the level of funding available to manage financial risk/unplanned expenditure. The Board's Policy is between 3% and 6% of annual budgeted net expenditure which is considered appropriate in the context of the Board's financial and ongoing risk profile.	7.7%	8.8%
Movement in the Uncommitted General Fund Balance	Reflects the extent to which the Board is using its Uncommitted General Fund Reserve. The level of uncommitted reserves increased significantly last year, 21/22 is more in line with 20/21 therefore less of a movement.	60.5%	18.7%

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MANAGEMENT COMMENTARY 2021/22

Financial Indicator	Commentary	2020/21	2021/22
Financial Management			
Actual Outturn compared to Budgeted Expenditure	How closely expenditure compares to the budget is a reflection of the effectiveness of financial management. This indicator is based on the format of budget monitoring as reported throughout the year. The final outturn position was £232k underspend.	91.6%	92.2%

Treasury Management

The Boards treasury activities extend to cash management with cash balances being held by Clackmannanshire Council. These balances are managed in line with the policies and procedures operated by Clackmannanshire Council in relation to investments as set out in the Annual Treasury Management Strategy Statement (TMSS) 2021/22. Performance on these investments is also reported in the Mid Year and Annual Reports presented to the Council.

Capital Expenditure

The Prudential Code for Capital Finance in Local Authorities governs the level of capital expenditure taking into account affordability, sustainability, the management of assets and the achievement of strategic objectives. It is the duty of the Board to determine and keep under review the maximum amount that it can afford to allocate to capital expenditure together with the associated revenue implications. In 2021/22, the Board invested £11k on assets including laptops and monitors which meet the definition of capital expenditure. The costs of this investment were met by Capital Funded from Current Revenue contributions (CFCR), i.e. from revenue budgets. The new assets are reflected in the Board's Balance sheet as an addition under Property, Plant and Equipment.

Net Pension Liability

Pension Fund reporting regulations require an annual valuation of the net pension liability by fund actuaries. The calculation at March 2022 disclosed a deficit of £5.376m. The calculation is prepared for the purposes of International Accounting Standard 19 (IAS 19) reporting requirements and is not relevant for funding purposes and is simply a snapshot of the position at that time. The latest long-term actuarial funding valuation of the Fund for the purpose of setting employers' actual contributions was at 31 March 2020. The employers' pension contributions were set for 3 years in line with the actuarial advice and increased by 0.5% each year to 2023/24.

The pension deficit records a decrease in liability of £3.329m which is a favourable movement in the year due to a combination of an increase in the net discount rate and asset returns.

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Business Environment and Risks

A key economic variable during the past two years and going forward into 2022/23 continues to be the impact of Brexit on the UK economy and the Covid-19 pandemic. Added to this is the current cost of living crisis that is impacting households and businesses.

As in recent years and even more so as a result of Covid-19, this operating environment presents the key challenge of developing and sustaining medium to longer term financial planning. As for the wider public sector, a key area of uncertainty for the Board remains the future levels of funding it will receive. Its constituent authorities, on which the Board relies for a significant proportion of its funding, continue to anticipate cash reduction in funding levels, placing additional pressure on the Board to reduce its operating costs further, thereby providing a reduction in the level of council contributions required in future years.

Given this operating context, the preparation of medium to long term financial plans are subject to a number of key risks and uncertainties which will have an impact on budget assumptions. With funding at best, static and the prospect of cash reductions in the next few years, managing the effects of rising inflation will be a challenge for the public sector. This alongside the prospect of raised expectations in respect of continuing wage inflation, due to the cost of living crisis, will create a significant financial challenge.

The Board therefore, has to manage the financial and service delivery risks associated with the impact of real and potential cash term reductions in public sector funding, balanced against increasing demands for services and new responsibilities.

The Boards Risk Management Strategy and Risk Register sets out its policy in respect of business risk and provides a framework to structure the approach taken in the analysis of risks for each project that the Assessor and ERO undertakes. The risk register was reviewed and reported to the Board at its meeting on the 22 March 2022. In this latest report, 15 Risks are included on the risk register, categorised into Technological, Professional & Resource and Financial.

- Technological risks focus on IT systems and software that play a key part in enabling staff to carry out their duties on a day to day basis and records are also held electronically. There are also risks around security of data with organisations seeing increases in cyber attacks. The Board recognises the need to ensure there are reasonable levels of data security for all functions. The Assessors continues to keep the cyber security and business continuity arrangements for the Valuation Joint Board under review.
- Professional risks mainly cover staff resourcing and the resilience, availability and capability of resources to carry out duties in line with relevant guidance, policies and legislation. Risks recognise that qualified staff in this area are not widely available and tasks have to be undertaken within statutory deadlines.
- Financial risks relate to the availability of funding as noted above to ensure the Board has sufficient funding to carry out its duties and the monitoring of spend to ensure that budgets are not overspent.

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Business Environment and Risks (continued)

The highest ranked risk on the risk register as per the latest report at March 2022 is Technological, relating to cyber security and the risk of computer virus/hacking attacks/ransomware. This has a risk score of 9, due to high likelihood and severity. To mitigate this risk, the Boards controls feature strict back up regimes and IT security measures. Actions to mitigate the risk on an ongoing basis include the review of IT security and monitoring by Systems Administrators, compliance with IT Security policies and regular staff training. The Board also takes part in the Scottish Government's Cyber Resilience programme and has response plans in place.

Further detail can be found in the latest Risk Assessment report here:

<https://www.falkirk.gov.uk/coins/submissiondocuments.asp?submissionid=19082>

The Annual Governance Statement (AGS) details the Board's corporate governance arrangements and its arrangements for the management of risk have also been reviewed and reported to the Board at its meeting on the 22 March 2022. The AGS explains the system of internal control and highlights the key areas for improvement actions arising from the ongoing review of these arrangements, alongside the Management Team's regular review of the Board's Risk Register.

The Board recognises the need to ensure there are reasonable levels of data security for all functions. The Assessors continues to keep the cyber security and business continuity arrangements for the Valuation Joint Board under review.

Public Sector Equality Duty

The Board is fully committed to embracing and implementing the principles and ethos of the Equality Act 2010 and its associated Regulations such as The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

The Board published its Equality Report in October 2020. This report is in three parts, one for each of the following key areas:

- Equalities Mainstreaming;
- Workforce Monitoring, and
- Equalities Outcomes.

The report can be found on the Scottish Assessors Association website at:

https://www.saa.gov.uk/central/wp-content/uploads/sites/3/dlm_uploads/2021/05/Equality-Duty-Report-October-2020-1.pdf

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MANAGEMENT COMMENTARY 2021/22

Plans for the Future

The combination of anticipated cost pressures, coupled with reduced income and the continuing economic environmental impact due to Covid-19 and the Cost of Living increases, presents significant challenges and financial risks to the Board over the medium term. It is recognised that the scale of the financial challenge will require a fundamental review of aspects of service delivery if the Board is to maintain its financial stability moving forward. This is more challenging given the high proportion of total expenditure which is concentrated in a few areas, the most significant of which is the Board's costs of employment, coupled with the statutory nature of the Assessor and ERO duties. This situation accentuates the need for a continued focus on financial sustainability. On this basis, the Assessor and Treasurer will engage with the Chief Financial Officers of each of the constituent authorities to review sustainability issues, against the background of the statutory requirement for the constituent authorities to defray the Board's expenses, ahead of budget setting for 2023/24. In the meantime, the ongoing funding pressures highlight the need for the Board to maintain stringent financial control and to continue to drive out efficiencies through the budget process.

Looking ahead, key priorities for the Assessor and ERO include; the disposal of the appeals arising from the 2017 Non Domestic Revaluation, the disposal of the Covid-19 Material Change of Circumstance (MCC) appeals, the successful introduction of Assessors Information Notices with associated Civil Penalties and work to deliver the 2023 Revaluation. The focus will also be on increasing the efficiency of both the Valuation and Electoral Registration Services.

It is clear that this is a period of significant activity for the organisation which will require close monitoring and management. The Assessor through his membership of the Scottish Assessors' Association and the Electoral Management Board for Scotland will liaise with both the UK and Scottish Governments to ensure that they are fully apprised of the work and resources necessary to deliver the reforms created by the new legislation. This is particularly important given the restrictions on working arrangements in light of the Covid-19 pandemic.

A revised scheme of delegation has been approved by the Board for 2021/22 and agreement has been reached on the Service Level Agreement between the Board and Clackmannanshire Council for the provision of support services. During 2022/23, the Board's Contract Standing Orders will be reviewed and a fraud policy will be developed. Work will also commence to agree a Service Level Agreement with Falkirk Council in respect of clerking services to the Board. There is also an ongoing rolling programme to review and update the Board's personnel policies.

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MANAGEMENT COMMENTARY 2021/22

Where to Find More Information

An explanation of the financial statements which follow and their purpose are shown at the top of each page. Further information about the Central Scotland Valuation Joint Board can be found at www.saa.gov.uk/central

Acknowledgements

We would like to take this opportunity to acknowledge the significant effort in producing the Annual Report and Financial Statements and to record our thanks to our colleagues for their continued hard work and support. We greatly appreciate the significant efforts of all who were involved.

Councillor Nimmo
Convenor of the Board
30 September 2022

Pete Wildman
Assessor
30 September 2022

Lindsay Sim
Treasurer
30 September 2022

CENTRAL SCOTLAND VALUATION JOINT BOARD

STATEMENT OF RESPONSIBILITIES 2021/22

The Valuation Joint Board's responsibilities

The Joint Board is required:-

- (1) to make arrangements for the proper administration of its financial affairs, and to secure that the proper officer of the Board has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). The designated officer is Clackmannanshire Council's Director of Finance who is also the Treasurer of the Valuation Joint Board;
- (2) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- (3) ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- (4) approve the Annual Accounts for signature.

I confirm that the Annual Accounts were approved for signature by the Board at its meeting on 30 September 2022.

CENTRAL SCOTLAND VALUATION JOINT BOARD

STATEMENT OF RESPONSIBILITIES 2021/22

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Valuation Joint Board's Financial Statements which, in accordance with proper practices as required by legislation and as set out in the terms of the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, is required to present a true and fair view of the financial position of the Valuation Joint Board at the accounting date and its income and expenditure for the year then ended.

In preparing the Annual Accounts, the Treasurer has:

- (1) selected suitable accounting policies and then applied them consistently;
- (2) made judgements and estimates that were reasonable and prudent;
- (3) complied with legislation; and
- (4) complied with the Code of Practice (in so far as it is compatible with legislation).

The Treasurer has also:

- (1) kept proper accounting records which were up to date; and
- (2) taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Financial Statements present a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2022.

Lindsay Sim
Treasurer
30 September 2022

CENTRAL SCOTLAND VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT 2021/22

Scope of Responsibility

The Valuation Joint Board and the Assessor & ERO are responsible for ensuring that 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 and the Assessor & ERO have a responsibility to make arrangements to secure continuous improvement in the way in which the organisation's functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Board also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003.

In discharging this overall responsibility, the Board and Assessor & ERO are responsible for putting in place proper arrangements for the governance of the organisation's affairs, and facilitating the effective exercise of their functions, which includes arrangements for the management of risk.

The Board and the Assessor & ERO have in place governance arrangements which are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) Framework 'Delivering Good Governance in Local Government'. The Board has noted revisions to this guidance published in 2016 and has incorporated changes to its governance framework. These arrangements are defined within the Valuation Joint Board's Code of Corporate Governance. This statement explains how the Board and the Assessor has complied with the Framework.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes and culture and values, by which the organisation is directed and controlled and its activities through which it accounts to, and engages with, the community. It enables the Board and the Assessor & ERO to monitor the achievement of their strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all 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 control is an ongoing process designed to identify and prioritise the risks to the achievement of the Board's and Assessor & ERO's policies, aims and objectives and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework

The responsibilities of the Valuation Joint Board and the Assessor & ERO are laid out in statute. These responsibilities, together with the corporate governance framework, are contained within the Code of Corporate Governance. The Code is further supported by the Standing Orders, Scheme of Delegation, Financial Regulations and Contract Standing Orders. During 2021/22 professional support was provided by Clackmannanshire Council on financial, legal and human resources matters whilst Falkirk Council provided advice on internal audit and clerk matters.

CENTRAL SCOTLAND VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT 2021/22

The Governance Framework

The Assessor & ERO is supported in meeting his statutory responsibilities by his Management Team, which has responsibility for all aspects of planning, managing, monitoring and reporting of statutory functions, service delivery and performance improvement. The Management Team in turn is supported by the Administration, Valuation, Best Value and IT Working Groups.

The relaxation of the Covid 19 restrictions has seen a move to hybrid working, with employees working approximately 40% of the week in Hillside House and the remainder at home. Most meetings continue to be held remotely although Management Team meetings are now hybrid meetings. In addition the Management Team have continued to have brief catch up meetings, three times a week via online meetings to address any day to day issues that have arisen. These meetings commenced at the start of the pandemic and have proved to be beneficial in maintaining the governance and running of the organisation.

A new Scheme of Delegation was approved by the Board at their meeting on 24 September 2021.

The Three Year Service Plan is the key corporate tool for making best use of financial, technological, human and other resources available. From the Three Year Service Plan project plans are prepared with progress monitored by the Management Team. A Project Log, which is reviewed at the monthly management meetings, serves as a tool to monitor progress, review the timing of projects and resource allocation and provides a de facto plan for the year. A performance framework is in place with standards and targets agreed. Ongoing monitoring against targets is undertaken by the Management Team and Valuation Joint Board.

The Board's financial management arrangements conform to the standards of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the role of Treasurer and Section 95 Officer in 2021/22 was fulfilled by the Section 95 Officer from Clackmannanshire Council. The Board approves a financial budget annually, prior to the start of the financial year, and performance against budget is monitored regularly by both Senior Managers and the Board.

The Board has an approved Risk Management Strategy, which ensures that key strategic, business and operational risks are defined, monitored and mitigated against. Key business risks are regularly considered and reviewed by both the Management Team and the Board. In relation to the day to day operations, a framework of internal controls is in operation, to further mitigate against risks.

The governance framework has been in place at the Valuation Joint Board for the year ended 31 March 2022 and up to the date of approval of the draft Annual Report and Financial Statements and complies with the principles of the CIPFA framework. Specifically, the governance framework ensures that financial management arrangements conform with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2015).

The Board's internal audit service is provided by Falkirk Council and operates in accordance with the Public Sector Internal Audit Standards. Falkirk Council conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

CENTRAL SCOTLAND VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT 2021/22

Review of Effectiveness

The Board and the Assessor & ERO have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework includes the following:

- the internal management processes, including performance, risk and financial management and monitoring;
- an annual self assessment of the adequacy of the governance arrangements;
- work undertaken by Internal Audit during the year, including a review of the processes for valuation; and
- external audit review of the work of internal audit and comment on the corporate governance and financial sustainability, risk management and performance management arrangements.

A plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant Governance Issues

There have been no governance issues identified to date during the year that are considered significant in relation to the overall governance framework. Internal Audit have reported substantial assurance in the effectiveness of the governance arrangements and there has also been a review of the risk management strategy and the reporting of significant risks to the Board. I am therefore satisfied that the arrangements continue to be regarded as fit for purpose in accordance with the principles of the CIPFA governance framework. Specific opportunities for improvements in governance and internal control identified as part of the assurance processes detailed above have been addressed or are included in improvement plans allocated to the relevant member of the Management Team.

Key areas for improvement

The key areas for improvement identified during the annual review include:

- Records Management Plan – Progress to be reviewed;
- Service Plan to be updated, and
- Workforce Plan to be developed.

Work completed during the year

The following were updated throughout the year;

- Update of Scheme of Delegation,
- Agreement of an SLA covering the services provided by Clackmannanshire Council, and
- Records Management Plan – Performance has been reviewed.

Update from 2020/21

There has been some progress to address issues identified in the 2020/21 review with the following items remaining outstanding:

- Introduction of a Fraud Policy;
- Agreement of an SLA for the provision of clerking services by Falkirk Council, and
- Update Contract Standing Orders.

CENTRAL SCOTLAND VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT 2021/22

The progress reflects the impact of the pandemic which again required managers to focus instead on revised ways of working. The Board and its Management Team will work during 2022/23 to address the outstanding issues from 2020/2.

In conclusion, it is our opinion that the annual review of governance together with the work of internal audit, any comments received from external audit and certification of assurance from the Assessor and Electoral Registration Officer provide sufficient evidence that the principles of good governance operated effectively and the Joint Board complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions will be taken as necessary to maintain and further enhance the Board's governance arrangements.

Signed on behalf of the Valuation Joint Board

Pete Wildman
Assessor
30 September 2022

Councillor Nimmo
Convener of the Board
30 September 2022

CENTRAL SCOTLAND VALUATION JOINT BOARD

REMUNERATION REPORT 2021/22

All information disclosed in the tables within the remuneration report will be audited by Audit Scotland and all other sections will be reviewed to ensure that the information is consistent with the financial statements.

The remuneration of Senior Officers of the Board is regulated by The Local Government (Scotland) Act. Section 27/5 states that the Assessor be appointed on reasonable terms by the Valuation Authority. The Local Valuation Joint Board (Scotland) Order 1995 Regulations 2 (2), Section 27 transferred the authority to the Board. Appointments of Senior Officers are approved by the Board.

The following tables provide details of the remuneration paid to the Board's Senior Employees.

Remuneration of Senior Employees of the Board

Name and Post Title	Salary, fees and allowances 2021/22 £	Total Remuneration 2021/22 £	Total Remuneration 2020/21 £
Pete Wildman Assessor	104,574	104,574	103,574
Darryl Rae Divisional Assessor	67,927	67,927	65,981
Russell Hewton Divisional Assessor (Full year equivalent £67,759)	57,998	57,998	65,981

Note to Table above:

1. No taxable expenses, compensation for loss of employment or benefits other than in cash were paid to senior employees during 2020/21 or 2021/22.
2. R Hewton - Divisional Assessor was in post until 31 January 2022.

The Senior Employees included in the table include any Joint Board employee:

- who has responsibility for management of the Board to the extent that the person has power to direct or control the major activities (including activities involving the expenditure of money) during the year to which the Report relates whether solely or collectively with other persons;
- who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; or
- whose annual remuneration is £150,000 or more.

The Treasurer is Lindsay Sim, who is the Chief Finance Officer, at Clackmannanshire Council. The Treasurer's remuneration is paid by Clackmannanshire Council.

CENTRAL SCOTLAND VALUATION JOINT BOARD

REMUNERATION REPORT 2021/22

Pension Benefits

Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2022 are shown in the table below, together with the contribution made by the Board to each Senior Employees' pension during the year.

Name and Post Title	In-Year Pension Contributions			Accrued Pension Benefits		
	For Year to 31 March 2022 £	For Year to 31 March 2021 £		As at 31 March 2022 £	As at 31 March 2021 £	Difference From 31 March 2021 £
Pete Wildman Assessor	25,097	24,340	Pension Lump Sum	51,000 75,000	48,000 74,000	3,000 1,000
Darryl Rae Divisional Assessor	16,302	15,505	Pension Lump Sum	6,000 -	4,000 -	2,000 -
Russell Hewton Divisional Assessor	13,591	15,505	Pension Lump Sum	19,000 14,000	18,000 13,000	1,000 1,000

All senior employees shown in the tables above are members of the Local Government Pension Scheme (LGPS). The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service and not just their current appointment.

Where staff are no longer in employment at 31 March 2022 there is no increase in accrued pension benefit attributable.

Officers' Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

Remuneration band	Number of Employees	
	2021/22	2020/21
£50,000 - £54,999	3	3
£55,000 - £59,999	2	-
£65,000 - £69,999	1	2
£100,000 - £104,999	<u>1</u>	<u>1</u>
	<u>7</u>	<u>6</u>

CENTRAL SCOTLAND VALUATION JOINT BOARD

REMUNERATION REPORT 2021/22

Termination Benefits and Exit Packages

Termination benefits are amounts payable as a result of a decision by the Board to terminate an officer's employment before the normal retirement date, or where officer's commit to the termination of employment of an officer or group of officers, or where an offer is made to encourage voluntary redundancy.

There were no termination benefits or exit packages paid in 2021/22

Senior Councillors

The remuneration of councillors is regulated by the 2007 regulations and these set out the remuneration payable to councillors with a responsibility of Convenor or Depute-Convenor of the Joint Board. The council of which the Convenor or Depute-Convenor is a member is required to pay their total remuneration and is then reimbursed for the element of the payment made on behalf of the joint board.

Name	Council	Position	Salary, fees and allowances 2021/22 £	Total remuneration 2021/22 £	Total remuneration 2020/21 £
Councillor D Balfour	Falkirk Council	Convenor	6,365	6,365	6,110
Councillor C Holden	Clackmannanshire Council	Depute Convenor	3,278	3,278	3,278

Note to Table above:

1. No taxable expenses, compensation for loss of employment or benefits other than in cash were paid to senior councillors during 2020/21 or 2021/22.
2. the Valuation Joint Board makes a contribution to the Council of £1k for the Convenor's pension contributions
3. no contribution is paid towards the Depute Convenor's pension costs and
4. pension liabilities sit with the Council, not the Valuation Joint Board

Signed on behalf of the Valuation Joint Board

Pete Wildman
Assessor
30 September 2022

Councillor Nimmo
Convenor of the Board
30 September 2022

Independent auditor's report to the members of Central Scotland Valuation Joint Board and the Accounts Commission

Reporting 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 Central Scotland Valuation Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of Central Scotland Valuation Joint Board as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 18 February 2022. The period of total uninterrupted appointment is one year. I am independent of Central Scotland Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Central Scotland Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Central Scotland Valuation Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on Central Scotland Valuation Joint Board's current or future financial sustainability. However, I report on Central Scotland Valuation Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Treasurer and the 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 Central Scotland 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 there is an intention to discontinue the Joint Board's operations.

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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how Central Scotland Valuation Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Central Scotland Valuation Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Central Scotland Valuation Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result 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.

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. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

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

Other information

The Treasurer is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

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, including those in respect of Best Value, 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.

Mark Ferris
Senior Audit Manager

Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

CENTRAL SCOTLAND VALUATION JOINT BOARD

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

This statement shows the accounting cost of providing services and managing the Board during the year. It includes, on an accruals basis, all of the Board's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

2020/21					2021/22		
Gross Expenditure £	Gross Income £	Net Expenditure £	Note	£	Gross Expenditure £	Gross Income £	Net Expenditure £
2,122	0	2,122	Employee costs	2,500	2,500	0	2,500
187	0	187	Property Costs	191	191	0	191
658	0	658	Supplies & Services	589	589	0	589
82	0	82	Support Services	85	85	0	85
163	0	163	Third Party Payments	24	24	0	24
0	0	0	Transport Costs	4	4	0	4
16	0	16	Capital Charges	27	27	0	27
	(403)	(403)	Other Income	(258)	0	(258)	(258)
3,228	(403)	2,825	Cost of Services	3,162	3,420	(258)	3,162
			Finance & Investment Income & Expenditure				
0	(1)	(1)	Interest receivable	(1)	0	(1)	(1)
132	0	132	Pension Interest	178	178	0	178
			Taxation & Non Specific Grant Income				
0	(2,811)	(2,811)	Requisitions from Member Authorities	(2,838)		(2,838)	(2,838)
3,360	(3,215)	145	(Surplus)/Deficit on Provision of Services	501	3,598	(3,097)	501
2,755	0	2,755	Actuarial (Gains)/Losses in Pension Assets	(3,939)	(3,939)	0	(3,939)
2,755	0	2,755	Other Comprehensive Income & Expenditure	(3,939)	(3,939)	0	(3,939)
6,115	(3,215)	2,900	Total Comprehensive Income & Expenditure	(3,438)	(341)	(3,097)	(3,438)

Figures shown in brackets represent income or gains and figures without brackets represent expenditure or losses.

CENTRAL SCOTLAND VALUATION JOINT BOARD

MOVEMENT IN RESERVES STATEMENT 2021/22

This statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (those that can be applied to fund expenditure) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the Reserves Balance. The Net Increase/(Decrease) shows the statutory Reserves Balance.

	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2020	399	(5,658)	(5,259)
<u>Movement in Reserves during 2020/21</u>			
Total Comprehensive Income and Expenditure	(145)	(2,755)	(2,900)
Adjustments between Accounting basis and funding Basis under regulations (note 7)	<u>264</u>	<u>(264)</u>	-
Increase/(Decrease) in Year	119	(3,019)	(2,900)
Balance at 31 March 2021 carried forward	518	(8,677)	(8,159)
Balance at 1 April 2021	518	(8,677)	(8,159)
<u>Movement in Reserves during 2021/22</u>			
Total Comprehensive Income and Expenditure	(501)	3,939	3,438
Adjustments between Accounting basis & funding Basis under regulations (note 7)	<u>606</u>	<u>(606)</u>	-
Increase/(Decrease) in Year	105	3,333	3,438
Balance at 31 March 2022 carried forward	623	(5,344)	(4,721)

CENTRAL SCOTLAND VALUATION JOINT BOARD

BALANCE SHEET AS AT 31 MARCH 2022

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net liabilities (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, those reserves that the Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. 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 timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2021 £000		Note	31 March 2022 £000
63	Property, Plant & Equipment	9	48
<u>4</u>	Intangible Assets	10	<u>3</u>
67	Non-Current Assets		51
134	Debtors & Prepayments	11	791
<u>979</u>	Cash held by Clackmannanshire Council		<u>323</u>
1,113	Current Assets		1,114
(634)	Creditors & Accruals	12	(510)
<u>(634)</u>	Current Liabilities		<u>(510)</u>
<u>(8,705)</u>	Deficit in pension scheme	17	<u>(5,376)</u>
(8,705)	Long Term Liabilities		(5,376)
<u>(8,159)</u>	Net Liabilities		<u>(4,721)</u>
518	Usable reserves – General Fund		623
<u>(8,677)</u>	Unusable Reserves	13	<u>(5,344)</u>
(8,159)	Total Reserves		(4,721)

The audited Annual Accounts were issued on 30 September 2022.

Lindsay Sim
Treasurer
30 September 2022

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

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CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

1) Accounting Policies

a) General Principles

The Statement of Accounts summarises the Board's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014, 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 2021/22 supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting policies have been applied consistently in the current and prior years.

b) Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for the provision of services or the sale of goods, is recognised when the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Revenue is measured at the full amount receivable (net of any impairment losses) as they are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.
- expenses in relation to services received (including those rendered by employees) are recorded as expenditure when the services are received, rather than when payments are made; and
- where revenue 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.

c) Cash and Cash Equivalents

Cash is held by Clackmannanshire Council on behalf of the Board.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

d) **Prior period adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

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, other events and conditions on the Board's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior year as if the new policy had always been applied.

Material errors discovered in prior year figures are corrected retrospectively by amending opening balances and comparative amounts for the prior year.

e) **Charges to Revenue for Non-Current Assets**

The following amounts are debited to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets; and
- amortisation of intangible assets.

The Board is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement depreciation, revaluation and impairment losses and amortisations are therefore replaced by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

f) **Employee Benefits**

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Post Employment Benefits

Employees of the Authority are members of The Local Government Pension Scheme administered by Falkirk Council.

This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Board.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Falkirk Pension Fund attributable to the Board are included in 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 on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate based on the gross redemption yield on the iBoxx Sterling Corporate Index, AA cover 15 years;
- The assets of the Falkirk pension fund attributable to the Board are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – current bid price; and
 - property – market value.
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees 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/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Board, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

- 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/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Comprehensive Income and Expenditure Statement; and
- contributions paid to the Falkirk 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 General Fund balance 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 according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General 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.

The Valuation Joint Board is a recognised 'employing authority' within the meaning of the Local Government Superannuation (Scotland) Regulations.

g) 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. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Board.

Intangible assets are measured at cost less amortisation and any provisions for impairment.

Amounts are only revalued where the fair value of the assets are held by the Board can be determined by reference to an active market.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

The depreciable amount of an intangible asset is amortised 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 posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account. The Board's policy is to write off intangible assets over five years.

h) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes 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 item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets are then carried in the Balance Sheet using fair value, the amount determined by that which would be paid for the asset in its existing use (existing use value - EUV) or where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value. The assets within these financial statements are carried at depreciated replacement cost.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year end, but as a minimum every five years.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off value of disposals is appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. The Board's policy is to write off the assets over three years.

i) Reserves

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources.

j) Events After the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

k) VAT

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

l) Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Board when there is reasonable assurance that:

- the Board will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Account until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Comprehensive Income and Expenditure Statement.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

2) Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Financial Statements is:

- There is a high degree of uncertainty about future levels of funding from Local Government. However, the Board has determined that this uncertainty is not yet sufficient to provide an indication that the activities of the Board might be impaired as a result of a need to reduce levels of service provision.

3) Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made about the future or that which are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Board's Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<u>Item</u>	<u>Uncertainties</u>	<u>Effect if Actual Results Differ from Assumptions</u>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate would result in an increase in the pension liability of £0.781m, and a 0.5% increase in the pension increase rate (CPI) would result in an increase in the pension liability of £0.399m.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

4) Changes to Accounting Standards

Accounting Standards Adopted in the Year

- Definition of a Business: Amendments to IFRS3 Business Combinations;
- Interest Rate Benchmark Reform: Amendments to IFRS9, IAS39 and IFRS7, and
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16.

Accounting Standards Issued not yet Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2022/23 Code:

- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards:
 - IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS;
 - IAS 37 (Onerous contracts) – clarifies the intention of the standard;
 - IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material, and
 - IAS 41 (Agriculture) – one of a small number of IFRSs that are only expected to apply to local authorities in limited circumstances.
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use..

The Code requires implementation of these from 1 April 2022, therefore there is no impact on the 2021/22 financial statements. The impact in future years from the implementation of this standard is that the leased asset, along with the lease liability, will appear on the Board's balance sheet.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

5) Events after the Reporting Period

The audited Financial Statements were authorised for issue by the Treasurer on 30 September 2022. Events taking place after this date are not reflected in the Financial Statements or Notes.

6) Expenditure and Funding Analysis

This note shows how annual expenditure is used and funded from resources in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2020/21				2021/22		
Net Expenditure Chargeable To Reserves	Adjustments between Funding and Accounting Basis	Net Expenditure In the CI&E Statement		Net Expenditure Chargeable to Reserves	Adjustments between Funding and Accounting Basis	Net Expenditure in the CI&E Statement
£000	£000	£000		£000	£000	£000
(118)	132	14	Cost of Services	(104)	428	324
<u>(1)</u>	<u>132</u>	<u>131</u>	Other Income & Expenditure	<u>(1)</u>	<u>178</u>	<u>177</u>
<u>(119)</u>	<u>264</u>	<u>145</u>	(Surplus)/Deficit on Provision of Services	<u>(105)</u>	<u>606</u>	<u>501</u>
		399	Opening Balance on Reserves	(518)		
		<u>119</u>	Plus Surplus/(Deficit) on usable reserves balance in year	<u>(105)</u>		
		<u>518</u>	Closing Balance at 31 March	<u>(623)</u>		

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

The Expenditure and Funding Analysis brings together the net expenditure based on the management reporting structure and compares this against the net expenditure that is reported in the Comprehensive Income and Expenditure Statement in line with the Accounting Framework.

2021/22	Adjustments for Capital Purposes £000	Adjustments for Pensions Adjustments £000	Total Adjustments £000
Net Cost of Services	16	412	428
Other Income and Expenditure From the Funding Analysis	-	178	178
Difference between surplus or Deficit and CI&E Surplus or Deficit	16	590	606
2020/21	Adjustments for Capital Purposes £000	Adjustments for Pensions Adjustments £000	Total Adjustments £000
Net Cost of Services	(29)	161	132
Other Income and Expenditure From the Funding Analysis	-	132	132
Difference between surplus or Deficit and CI&E Surplus or Deficit	(29)	293	264

Within costs of services there are costs included of £39k (2020/21: £33k) that were not reported during the in-year monitoring. These are as a result of Capital Financing Costs, £27k (2020/21: £16k) and Compensating Absences Account Adjustments, £20k (2020/21: £17k).

Within the accounts are the costs and related income of the Portal. The Portal is a website administered by all Assessors in Scotland that provides information on Valuation Rolls and Council Tax lists. Costs are fully met by income therefore there is no impact on the (Surplus)/Deficit on provision of services.

The following costs incurred by the Portal are included in the table below; Supplies and Services costs of £167k (2020/21: £208k) for Professional Fees. These costs are fully offset by income of £167k (2020/21: £208k) having no impact on the overall Surplus for the Board in the year.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Amounts reported for resource allocation

Income and Expenditure

	2020/21	2021/22
	£000	£000
Fees, charges and other income	(404)	(259)
Council Contributions	(2,811)	(2,838)
Total Income	(3,215)	(3,097)
Employee Costs	1,961	2,089
Other operating costs	1,135	903
Total Operating Expenses	3,096	2,992
Net Cost of Services	(119)	(105)

Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement

	2020/21	2021/22
	£000	£000
Net Cost of Services	(119)	(105)
Add amounts not reported in service management accounts*	264	606
	145	501

*This includes depreciation and IAS19 pension adjustments

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Reconciliation to Subjective Analysis 2021/22

	Management Accounts £000	Not Reported In Management Accounts £000	Net Cost of Service £000
Fees, charges and other income	(259)	-	(259)
Council Contributions	(2,838)	-	(2,838)
Total Income	(3,097)	-	(3,097)
Employee Costs	2,089	412	2,501
Other operating costs	903	(11)	892
Depreciation	-	27	27
Interest Payments	-	178	178
Total Operating Expenses	2,992	606	3,598
Net Cost of Services	(105)	606	501

Reconciliation to Subjective Analysis 2020/21

	Management Accounts £000	Not Reported In Management Accounts £000	Net Cost of Service £000
Fees, charges and other income	(404)	-	(404)
Council Contributions	(2,811)	-	(2,811)
Total Income	(3,215)	-	(3,215)
Employee Costs	1,961	161	2,122
Other operating costs	1,135	(45)	1,090
Depreciation	-	16	16
Interest Payments	-	132	132
Total Operating Expenses	3,096	264	3,360
Net Cost of Services	(119)	264	145

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

7) Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure.

2021/22

	General Fund Balance £000	Movement in Unusable Reserves £000
Adjustments to Revenue Resources:		
<u>Reversal of items debited or credited to the Surplus or Deficit on Provision of Services in relation to Capital Expenditure:</u>		
Charges for depreciation and impairment of non-current assets	(27)	27
<u>Adjustments involving the Pensions Reserve:</u>		
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 17)	(983)	983
Employer's pensions contributions and direct payments to pensioners payable in the year (see note 17)	373	(373)
<u>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</u>		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	20	(20)
Adjustments between Revenue and Capital Resources:		
<u>Insertion of items not debited or credited to the Surplus or Deficit on Provision of Services in relation to Capital Expenditure:</u>		
Capital expenditure financed from Revenue Balances	11	(11)
Total Adjustments	<u>(606)</u>	<u>606</u>

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

2020/21	Usable Reserves	
	General Fund Balance £000	Movement in Unusable Reserves £000
Adjustments to Revenue Resources:		
<u>Reversal of items debited or credited to the Surplus or Deficit on Provision of Services in relation to Capital Expenditure:</u>		
Charges for depreciation and impairment of non-current assets	(16)	16
<u>Adjustments involving the Pensions Reserve:</u>		
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 17)	(616)	616
Employer's pensions contributions and direct payments to pensioners payable in the year (see note 17)	340	(340)
<u>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</u>		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(17)	17
Adjustments between Revenue and Capital Resources:		
<u>Insertion of items not debited or credited to the Surplus or Deficit on Provision of Services in relation to Capital Expenditure:</u>		
Capital expenditure financed from Revenue Balances	45	(45)
Total Adjustments	(264)	264

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

8) Financing and Investment Income and Expenditure

	2020/21		2021/22
	£000		£000
	132	Pensions interest cost and expected return on pension assets	178
	(1)	Interest receivable and similar income	(1)
	131		177

9) Property, Plant and Equipment

	2020/21		2021/22
	£000		£000
Opening Gross Book Value	206		251
Additions	45		11
Closing Gross Book Value	251		262
Opening Accumulated Depreciation			
Opening Depreciation	174		189
Depreciation for the year	14		26
Closing Accumulated Depreciation	188		214
Closing Net Book Value at 31 March	63		48
Opening Net Book Value at 1 April	32		63

Depreciation

Within Property Plant and Equipment the Board holds computer equipment, furniture and other equipment. The deemed useful life and depreciation rate for these assets is 3 years.

Disposals

There were no asset disposals during 2021/22 or 2020/21.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

10) 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.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use. The useful life assigned to the new software purchase in the year is three years and the carrying amount of intangible assets is amortised on a straight-line basis.

There were no additions or disposals during 2021/22 or 2020/21.

Software	2020/21	2021/22
	£000	£000
Opening Gross Book Value	7	7
	—	—
Closing gross book value	7	7
	—	—
Opening Accumulated Amortisation		
Opening amortisation	1	3
Amortisation for the year	2	1
	—	—
Closing Accumulated Amortisation	3	4
	—	—
Closing Net Book Value at 31 March	4	3
	—	—
Opening Net Book Value at 1 April	6	4
	—	—

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

11) Debtors

31 March 2021 £000		31 March 2022 £000
6	Central Government Bodies	1
87	Other Local Authorities	720
41	Other Entities and Individuals	70
134	Total	791

12) Creditors

31 March 2021 £000		31 March 2022 £000
182	Central Government Bodies	39
59	Other Local Authorities	41
393	Other Entities and Individuals	430
634	Total	510

13) Operating Leases

The Board acquired office accommodation at Hillside House in Stirling by entering into an operating lease which ends in 2023. Below are the future minimum payments due on the lease.

31 March 2021 £000		31 March 2022 £000
85	Not later than one year	85
106	Between one and five years	21
191		106

£85k of expenditure was charged to the Comprehensive Income and Expenditure Statement during the year in relation to this lease (£85k in 2020/21).

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

14) Unusable Reserves

31 March 2021 £000		31 March 2022 £000
67	Capital Adjustment Account	51
(8,705)	Pensions Reserve	(5,376)
(39)	Accumulating Compensated Absences Adjustment Account	(19)
(8,677)	Total Unusable Reserves	(5,344)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences 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 from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside as finance for the costs of acquisition, construction and enhancement.

Note 6 provides details of the source of all the transactions posted to the account.

2020/21 £000		2021/22 £000
38	Balance at 1 April	67
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(16)	- Charges for depreciation and impairment of non current assets	(27)
45	- Capital Expenditure charged against the General Fund	11
67	Balance at 31 March	51

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Pensions Reserve

The Pensions 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 Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investments returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed, as the Board makes employer's contributions to Pension Funds or eventually pays any pensions 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.

2020/21		2021/22
£000		£000
(5,674)	Balance at 1 April	(8,705)
(2,755)	Actuarial gains or (losses) on pensions assets and liabilities	3,939
(616)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(983)
340	Employer's pensions contributions and direct payments to pensioners payable in the year	373
(8,705)	Balance at 31 March	(5,376)

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account represents holiday entitlement earned but not yet taken and absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2020/21 £000	2020/21 £000 (22)		2021/22 £000	2021/22 £000 (39)
		Balance at 1 April		
22		Settlement or cancellation of accrual made at the end of the preceding year	40	
<u>(39)</u>		Amounts accrued at the end of the current year	<u>(20)</u>	
	(17)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		20
	<u>(39)</u>	Balance at 31 March		<u>(19)</u>

15) Non Cash Movements

2020/21 £000		2021/22 £000
(16)	Depreciation & Amortisation	(27)
(298)	Increase/(Decrease) in Creditors	124
76	(Increase)/Decrease in Debtors	656
(276)	Movement in Pension Liability	(610)
<u>(514)</u>	Net cash flows from non cash movements	<u>143</u>

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NOTES TO THE FINANCIAL STATEMENTS 2021/22

16) Material Items of Income

Council Contributions

2020/21 £000		2021/22 £000
(1,392)	Falkirk Council (49.5%)	(1,406)
(979)	Stirling Council (34.8%)	(988)
(440)	Clackmannanshire Council (15.7%)	(444)
<u>(2,811)</u>		<u>(2,838)</u>

17) External Audit Costs

2020/21 £000		2021/22 £000
8	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	8
<u>8</u>		<u>8</u>

18) Defined Benefit Pension Schemes

Participation in 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 (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Board participates in the Local Government Pension Scheme, administered locally by Falkirk Council – this is a funded defined benefit final salary 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.

Transactions relating to post employment benefits

The Board recognise the cost of retirement benefits are recognised 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 the Board is required to make 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 Reserves 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:

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Local Government Pension Scheme

	2020/21 £000	2021/22 £000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services</i>		
• current service cost	484	805
• past service costs	-	-
<i>Financing and Investment Income and Expenditure</i>		
• Interest expense - defined benefit obligation	487	552
• Interest income on scheme assets	(355)	(374)
	_____	_____
<i>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</i>	616	983
 <i>Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</i>		
Re-measurement of the net defined benefit liability comprising		
• return on pension fund assets (excluding interest income above)	(3,097)	(2,072)
• Actuarial (gains)/losses arising on changes in financial assumptions	5,475	(1,761)
• Actuarial (gains) arising on changes in demographic assumptions	(257)	(154)
• Other experience (gains)/losses	634	48
	_____	_____
<i>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</i>	3,371	(2,956)
	_____	_____
Actuarial (gains)/losses on pension fund assets and liabilities	2,755	(3,939)
	_____	_____

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Local Government Pension Scheme

	2020/21 £000	2021/22 £000
<i>Movement in Reserves Statement</i>		
<ul style="list-style-type: none"> • reversal of net charges made to the Total Comprehensive Income and Expenditure Statement for post employment benefits in accordance with the Code 	(616)	(983)
<i>Actual amount charged against the General Fund</i>		
<i>Balance for pensions in the year:</i>		
<ul style="list-style-type: none"> • employers contributions payable to scheme 	340	373

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the Board's obligation in respect of its defined benefit plan is as follows:

	2020/21 £000	2021/22 £000
Present value of the defined benefit obligation*	(27,511)	(26,444)
Fair value of pension fund assets	18,806	21,068
Net Liability arising from Defined Benefit Obligation	(8,705)	(5,376)
* unfunded liabilities for Pension Fund included in the figure for present value of liabilities	287	269

The liabilities show the underlying commitments that the Board has in the long term to pay post employment (retirement) benefits. The net liability of £8.705m has a substantial impact on the net worth of the Board as recorded in the Balance Sheet, resulting in an overall negative balance of £4.715m. However, statutory arrangements for funding the deficit means that the financial position of the Board remains positive:

- the deficit on the scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary; and
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

A reconciliation of the Board's share of the present value of Falkirk Pension Fund's defined benefit obligation (liabilities) is as follows:

	2020/21 £000	2021/22 £000
Opening balance at 1 April	(21,218)	(27,511)
Current service cost	(484)	(805)
Interest cost	(487)	(552)
Contributions by scheme participants	(94)	(99)
Re-measurement gains and (losses)		
Actuarial gains from change in demographic assumptions	257	154
Actuarial gains/(losses) from change in financial assumptions	(5,475)	1,761
Actuarial gains/(losses) from other experiences	(660)	(48)
Past Service	-	-
Benefits paid	650	656
Closing value at 31 March	(27,511)	(26,444)

A reconciliation of the Board's share of the fair value of Falkirk Pension Fund's assets are as follows:

	2020/21 £000	2021/22 £000
Opening fair value of pension fund assets	15,544	18,806
Interest Income	355	374
Other experience	26	-
Return on pension assets (excluding amounts included in net interest)	3,097	2,072
Contributions from employers	340	373
Contributions by employees into the scheme	94	99
Benefits paid	(650)	(656)
Closing fair value of pension fund assets	18,806	21,068

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Analysis of Pension Fund Assets

The Board's share of the Pension Fund comprised:	31 March 2021 £000	31 March 2022 £000
Equity instruments (by industry type)		
- Consumer	1,404	1,288
- Manufacturing	1,011	1,128
- Energy & Utilities	666	734
- Financial Institutions	1,562	1,532
- Health & Care	517	689
- Information Technology	1,725	1,707
- Other	99	206
Sub Total Equity	6,984	7,284
Debt Instruments		
- Corporate bonds (investment guide)	-	-
- UK Government	264	863
- Other	-	393
Property (by type)		
- UK	1,041	1,305
- Overseas	2	2
Sub Total Property	1,043	1,307
Private Equity		
- UK	274	254
Sub Total Private Equity	274	254
Other Investment Funds		
- Equities	4,635	5,439
- Bonds	1,179	1,120
- Infrastructure	1,836	2,291
- Other	2,155	1,250
Sub Total Other Investment Funds	9,805	10,100
Cash and Cash Equivalents	436	868
Total Assets	18,806	21,068

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Basis for Estimating Assets and Liabilities

The Board's share of the net obligations of the Falkirk Pension Fund is an estimated figure based on actuarial assumptions about the future and is a snapshot at the end of the financial year. The net obligation has been assessed using the "projected unit method", that estimates that the pensions will be payable in future years dependant upon assumptions about mortality rates, salary levels and employee turnover rates.

The fund's obligation has been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the fund at 31 March 2022. The significant assumptions used by the actuary are shown in the table below. The note includes a sensitivity analysis for the pension obligation based on reasonably possible changes in these assumptions occurring at the reporting date.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2020/21	2021/22
Long-term expected rate of return on assets in the scheme:		
Equity investments	2.0%	2.7%
Bonds	2.0%	2.7%
Property	2.0%	2.7%
Cash	2.0%	2.7%
Mortality assumptions:		
Longevity at 65 for current pensions		
- Men	20.5 years	20.4 years
- Women	23.2 years	23.0 years
Longevity at 65 for future pensioners		
- Men	21.9 years	21.6 years
- Women	25.2 years	25.0 years
Rate of inflation	2.9%	3.2%
Rate of increase in salaries	3.5%	3.8%
Rate of increase in pensions	2.9%	3.2%
Rate for discounting fund liabilities	2.0%	2.7%

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

LGPS liabilities are sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The method and types of assumption used in preparing the sensitivity analysis below did not change from this used in the previous period.

Change in Assumptions at 31 March 2022

	Approximate % Increase to Employer	Approximate Monetary Amount (£000)
0.1% decrease in Real Discount Rate	2%	481
0.1% increase in the Salary Increase Rate	0%	78
0.1% increase in the Pension Increase Rate	2%	399

McCloud Ruling

When the LGPS benefit structure was reformed in 2015, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling were expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court, but in June 2019 the Supreme Court ruled that the Government has no grounds for appeal and the earlier ruling by the Court of Appeal was upheld.

The clear expectation from this ruling is that many more members will see enhanced benefit rather than just those currently subject to those protections. In this outcome, there will likely be a retrospective increase in members' benefits, which in turn will give rise to a past service cost for the Fund employers when the outcome is known.

CENTRAL SCOTLAND VALUATION JOINT BOARD

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Quantifying the impact at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary's Department (GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Fund's actuary has adjusted GAD's estimate to better reflect the Falkirk Council Pension Fund's local assumptions, particularly salary increases and withdrawal rates, with a high level estimate of the impact on the pension fund liability having been built into the Pension disclosures. These numbers are high level estimates based on scheme level calculations and depend on several key assumptions. The impact on employers' funding arrangements will likely be dampened by the funding arrangements they have in place. There has been no change to the assumptions for this in 2021/22.

Guaranteed Minimum Pension (GMP)

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However, overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

The Fund's actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of Central Scotland Joint Valuation Board for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards. There has been no change to these assumptions in 2021/22.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

Impact on the Authority's Cash Flow

The objective of the Falkirk Pension Fund is to keep employers contributions at as constant a rate as possible. As a result of the latest triennial valuation at 31 March 2020 the Employers' contribution rate was set at 23.5% for 2021/22 and the following contribution rates have been set for the next two years: 2022/23 (24.5%) and 2023/24 (25%). The total contributions expected to be made by the Board to Falkirk Pension Fund in the year to 31 March 2023 is £362k.

19) Nature and Extent of Risks arising from Financial Instruments

As at 31 March 2022 the Valuation Joint Board has Debtors of £791k, cash held by Clackmannanshire Council £323k and Creditors of £510k. There is no provision for bad debts. The transactions entered into do not give rise to any market or liquidity risk and credit risk is considered below.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Board's customers.

The Board's finances are controlled by Clackmannanshire Council. This risk is minimised through the Council's Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria. Details of the Investment Strategy can be found on Clackmannanshire Council's website.

20) Related Parties

The Board is required to disclose material transactions with the related parties - bodies or individuals that have potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board. In this context related parties include:

- Other Local Authorities: and
- Elected Members and Chief Officers.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS 2021/22

The following related party transactions in 2021/22 are disclosed elsewhere within the Annual Report and Financial Statements:

- a) Requisitions from other Local Authorities are shown in Note 16 to the Comprehensive Income and Expenditure Statement on page 56; and
- b) Payments to Elected Members and Chief Officers are shown in the Remuneration Report starting on page 23.