



Renfrewshire Valuation Joint Board

Annual Accounts
2020/21

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Management Commentary

The purpose of the Management Commentary is to present an overview of the Renfrewshire Valuation Joint Board's financial performance during the year 2020/21 and to help readers understand its financial position at 31 March 2021. In addition, it outlines the main risks and uncertainties facing the Renfrewshire Valuation Joint Board (the Board) for the financial year 2020/21 and beyond.

Who we are and what we do

The Board was established by the Valuation Joint Boards (Scotland) Order 1995 and came into existence on 1 April 1996. It provides a range of valuation and electoral registration services to and on behalf of East

Renfrewshire, Inverclyde and Renfrewshire Councils (the constituent authorities), working in partnership with other Valuation Joint Boards, councils and professional bodies across Scotland.

Our primary funding comes in the form of requisitions from the three constituent authorities and these are agreed when the Board sets its budget before 1 April each year.

The composition of membership of the Board is determined by the above Order and consists of four Councillors representing East Renfrewshire Council, four representing Inverclyde Council and eight Councillors representing Renfrewshire Council.

For the year 2020/21, these members were:

East Renfrewshire Council	Inverclyde Council	Renfrewshire Council	
P O'Kane (Vice-Convener)	G Brooks	A Doig (Convener)	M MacLaren
A Convery	C Jackson	T Begg	J McIntyre
C Gilbert	T McVey	J Cameron	J Sharkey
A Ireland	I Nelson	K MacLaren	A Steel

Our Aims

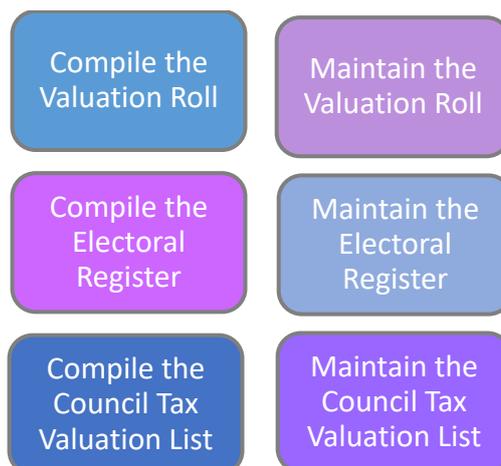
The Board was presented with an update to its current Strategic Service Plan on 28 May 2021. The plan covers the period April 2021 to April 2024.

A copy of Strategic Service Plan can be found at the following link: [http://www.renfrewshire-vjb.gov.uk>Governance>Policies and Plans](http://www.renfrewshire-vjb.gov.uk/Governance/Policies and Plans).

The Plan outlines the Board's Mission, as follows:

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

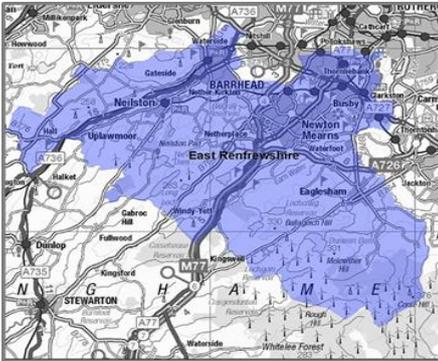
Part 3 of the Board's Strategic Service Plan 2021-24 defines six key business objectives, as follows:



Our Performance

To put into context the Board's work involved in carrying out our statutory duties and obligations, it may be useful to examine each of the councils separately.

East Renfrewshire



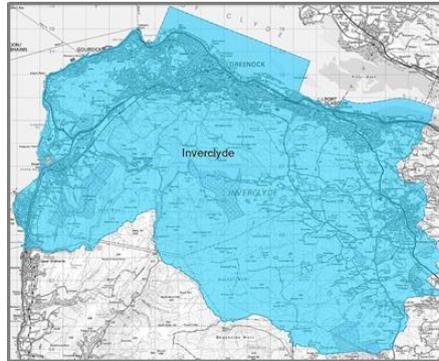
Council Tax	2020/21	2019/20
Properties	39,738	39,248
Proposals / Appeals received	77	83
Proposals / Appeals settled	86	44

Revaluation Roll	2020/21	2019/20
Properties	1,815	1,815
Appeals settled	41	134

Running Roll	2020/21	2019/20
Properties	1,815	1,815
Appeals received	282	306
Appeals settled	7	49

	2020	2019
Population**	95,530	95,530
Population over 16	76,055	76,055
Registered Electors	74,156	71,671

Inverclyde



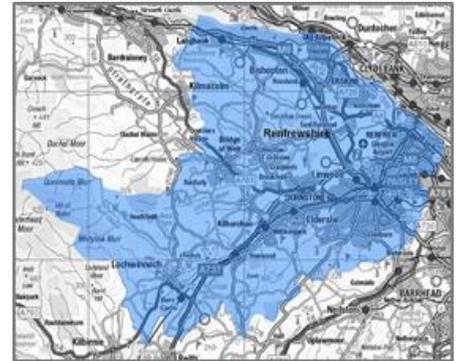
Council Tax	2020/21	2019/20
Properties	39,233	39,078
Proposals / Appeals received	41	49
Proposals / Appeals settled	60	30

Revaluation Roll	2020/21	2019/20
Properties	2,430	2,430
Appeals settled	51	183

Running Roll	2020/21	2019/20
Properties	2,438	2,430
Appeals received	916	684
Appeals settled	11	145

	2020	2019
Population**	77,800	77,800
Population over 16	65,197	65,197
Registered Electors	61,039	59,835

Renfrewshire



Council Tax	2020/21	2019/20
Properties	89,149	88,466
Proposals / Appeals received	115	118
Proposals / Appeals settled	158	64

Revaluation Roll	2020/21	2019/20
Properties	9,905	9,905
Appeals settled	160	526

Running Roll	2020/21	2019/20
Properties	10,012	9,905
Appeals received	2,037	1,888
Appeals settled	48	252

	2020	2019
Population**	179,100	179,100
Population over 16	148,833	148,833
Registered Electors	147,704	134,723

** Population numbers are sourced from Office of National Statistics; there has been no update since the mid-2019 stats were issued <https://www.ons.gov.uk>

For a full analysis of the Board's performance, please see the Annual Public Performance Report, which was presented to the Board on 28 May 2021. Performance information is also updated at every meeting of the Board.

Review of the Year

The COVID-19 pandemic affected the organisation during 2020/21, with the office ordered to close on 23 March 2020 following government guidance. At this time the organisation had minimum capacity to accommodate a working from home scenario. It fell to the Assessor & Electoral Registration Officer (ERO), the Management team and the IT Department of RVJB to facilitate home working. This was achieved and the team was fully remote working by 24 April 2020. This achievement came at a cost of around £50k.

During 2020/21, the Assessor & ERO continued the service review that had commenced in late 2017. The five key objectives of this review were that it should:

- Contribute to delivering potential savings target in the operational models and delivery;
- Deliver a fit for purpose and future proofed organisational structure;
- Ensure maximised benefits from implementation of a Document Management System (DMS) and an Electoral Management System (EMS);
- Reduce the administrative burden on the Board by redefining processes, making efficiency savings and increasing capacity to deliver services; and
- Source a replacement for Progress, the current core IT system.

Alongside these five key objectives, the Assessor & ERO has had to ensure the Board's readiness to deliver on the changes to Non-Domestic rating stemming from the Barclay Report and the subsequent introduction of the Non-Domestic Rates (Scotland) Act 2020. As previously reported, the Scottish Government has agreed funding to assist Assessors to meet these new challenges, as noted in the Financial Performance section below and in Note 11: Related parties.

Although the Scottish Government provided funding to meet these new objectives from the Barclay report and the Non-Domestic Rates (Scotland) Act 2020, they

have recently advised that they wish to claw back any 2020/21 underspend. The impact of this will be to reduce the amount going into reserves by £148k, which affects future spending plans. An updated budget will therefore be presented to the Board for approval.

The past year has seen staff leaving and retiring and there have been significant difficulties in attracting qualified staff to replace these core vacancies. There is also concern over being able to retain staff and stop the loss of expertise and experience at a time when working practices require ever-faster solutions and delivery of service. To address these ongoing recruitment and retention issues, the Assessor & ERO completed the service review and a number of vacancies are now filled. The staffing structure has also been addressed to ensure suitable remuneration was being offered to secure and retain staff.

The Document Management System (DMS) delivered savings by facilitating the scanning of all Council Tax files, which numbered approximately 165,000. The second phase of this project is to scan the remaining 14,000 Non-Domestic Subjects paper files and therefore ensure the organisation has a fully digital filing system.

The Electoral Management System (EMS) has delivered both last year's new style canvass and the Scottish Parliamentary Election on 6 May 2021. This system has reduced the administrative burden on staff and has allowed clerical staffing numbers to naturally reduce through retirement.

The replacement of 'Progress', the core IT system, continues jointly with the three other Assessors' offices involved in this new system and is set to deliver savings through economies of scale as a result. It has also allowed the expertise from all four Assessors' offices to be accessed and used in the design of this new core system.

During 2020/21, the following policies were either refreshed or introduced:

- Strategic Service Plan – Annual Review
- Information Handling Policy

Since the unaudited accounts were approved in May 2021, the Assessor & ERO, Kate Crawford, retired. The new Assessor & ERO is Robert Nicol, who took up the post on 18 October 2021.

Primary Financial Statements

The Annual Accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Under Section 106 of the Local Government (Scotland) Act 1973, joint boards are classed as local authorities.

The Annual Accounts summarise the Board's transactions for the year and its year-end position at 31 March 2021. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet.

These statements are accompanied by Notes to the Accounts, which provide more details on the figures shown in the statements and set out the Accounting Policies adopted by the Board.

The cash balance at 31 March 2021 of £100 in the Balance Sheet represents petty cash held by officers of the Board.

Financial Performance

The Comprehensive Income and Expenditure Statement on page 15 summarises the total costs of providing services and the income available to fund those services.

A summary of the outturn position against the agreed budget is shown on the next page. The Board has returned a surplus of £226k for the financial year 2020/21.

A significant reason for the underspend is within Employee Costs of (£325k) owing to unfilled vacancies throughout the year and savings were experienced within Transport Costs (£18k), due to less staff travel during the COVID-19 pandemic.

Following an overdue rent review of Robertson House, there was an increase to the annual lease, resulting in a £24k overspend within Property Costs.

Supplies and Services experienced overspends related to the COVID-19 pandemic, including £29k for ICT maintenance and additional legal costs of £21k, resulting from court proceedings that took place in November 2020 relating to a referral instigated for a 2010 Fixed Line Telecoms Case.

Funding of £274k was received from the Scottish Government for the May 2022 election, of which £156k will be transferred to reserves and carried forward to address costs incurred in 2021/22.

Capital costs of £154k were incurred, mostly relating to the replacement to RVJB's Core Progress system. Also included here is an enhancement to the Electoral Management System to accommodate new voting rights for foreign nationals and prisoners. This spend (£49k) was fully funded by the Scottish Government, with the income being treated as a Capital Grant in 2020/21.

The surplus shown below excludes accounting adjustments relating to pensions, depreciation and employee absences. These and all accounting differences are detailed in Note 1: Expenditure and Funding Analysis on page 22.

	Budget £	Actual £	Variance £
Employee Costs	2,050,754	1,726,020	324,734
Property Costs	165,115	189,228	(24,113)
Supplies and Services	432,201	522,434	(90,233)
Support Costs	96,880	95,781	1,099
Transfer Payments	21,620	6,678	14,942
Transport Costs	19,500	1,859	17,641
Capital Charges	0	105,181	(105,181)
Total Expenditure	2,786,070	2,647,181	138,889
Requisition Income	(2,749,570)	(2,601,373)	(148,197)
Other Income	(26,500)	(321,884)	285,384
Total Income	(2,776,070)	(2,923,257)	137,187
(Surplus)/Deficit for Year	10,000	(276,076)	276,076
Transfer to / (from) Reserves	(10,000)	55,000	(55,000)
Net (Surplus)/Deficit after reserves transfers	0	(221,076)	221,076

The Balance Sheet at 31 March 2021

The Balance Sheet sets out the total net worth of the Board at a snapshot in time. When comparing the net worth of the Board at 31 March 2021 to that of the prior year, an overall reduction in net worth of the organisation of £258k can be seen. This is primarily due to the increase in pension liability explained below.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed in Note 13: Retirement Benefits on page 27. The appointed actuaries have confirmed a net liability position of £2,349k (£1,733k 2019/20), an increase in liabilities of £616k in their assessment of the position of the pension fund, which is attributable to many factors, such as the experience of market yields over the course of the past year.

The net deficit position of the pension reserve impacts the Board as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

The appointed actuaries remain of the view that the asset holdings of the Strathclyde Pension Fund and the contributions from employees and employers together with planned increases in employers' contributions provide sufficient security and income to meet future pension liabilities.

A potential change to pension rules is outlined in Note 15: Contingent Liabilities on page 30; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Reserves at 31 March 2021

The Board had an opening Revenue Reserve at 1 April 2020 of £399k. During the year the Board returned a surplus of £276k, taking the closing Revenue Reserve position to £675k. Of this balance, £55k has been earmarked for software development and £156k for the May 2022 election, leaving an uncommitted balance of £464k.

In February 2021, the Board agreed to a prudent use of reserves over the next few years, in order, to maintain sustainable requisition increases. This has been reviewed in light of the Barclay claw-back and the updated position was reported to the Board on 28 May 2021.

Wider Engagement

During 2020/21, the Assessor, via the Scottish Assessors Association, made contributions to the aforementioned Non-Domestic Rates (Scotland) Act 2020 and, as ERO, contributed to the Scottish Elections (Franchise and Representation) Act 2020 and the Scottish Elections (Reform) Bill.

The Assessor & ERO continues to be a member of the Electoral Management Board for Scotland and represents Scottish EROs on Accessibility of Elections groups for both the Westminster and Scottish Parliaments. This ensures that the Board is able to access information on changes to legislation that may impact on both the Assessor and ERO functions.

Risks

The maintenance of a Corporate Risk Register ensures that the Board's functions operate effectively under all assessable and identifiable risks. This was most recently reported to the Board by the Assessor & ERO on 26 February 2021 and is reviewed, updated and reported to the Board twice-yearly.

The Corporate Risk Register assesses the likelihood and impact of identifiable risks and provides actions to mitigate or minimise them. The Board's risks have been evaluated using a risk matrix, which involves multiplying the likelihood of occurrence of a risk by its potential impact. This produces an evaluation of risk as either Low, Moderate, High or Very High. Both High and Very High risks are viewed as significant.

A total of 12 corporate risks are now identified on the Corporate Risk Register. A separate risk relating to COVID-19 was identified and added to the 11 risks reported last year. Of these, eight are identified as High, or Very High risks and are summarised in the table that follows.

It should be noted that the Assessor & ERO and management team have fully assessed these risks and have identified control measures in order to address them going forward.

Full details on the risks identified, along with steps being taken to mitigate these were presented in the Corporate Risk Register Report of 26 February 2021, which can be found by following the Board report link shown at the end of this report.

The first risk noted below is twofold in terms of the restrictions placed on working practices due to the COVID-19 lockdown announced on 23 March 2020 and the number of running roll appeals lodged as a result of the pandemic in both 2020 and again in 2021.

The Board received 3,552 appeals against Non-Domestic values as a result of the COVID-19 pandemic in 2020, with the disposal date for the majority of these appeals being one year from receipt, i.e. 31 March 2021. However, the Scottish Government changed legislation and extended the disposal date for these appeals to December 2021. For 2021 there has been a similar number of appeals: 2,376 for this financial year. These appeals (assuming no change to existing legislation) will need to be disposed of by March 2022.

The implementation of the remaining recommendations from the Barclay review will be in force by April 2023. At present, a significant recommendation that relates to the appeals process is still being drafted into legislation and is expected to be finalised by April 2022. This change is very significant and will involve both staff training and IT development on the new core system. This will be incorporated into its development once the new legislation and appeals processes have been finalised.

The next Non-Domestic property revaluation has also been announced to take effect from 1 April 2023, with the Tone Date (that is the date to which the valuation is tied to) to be April 2022. This is another change to current working practices; at present the Tone Date is usually two years prior to a revaluation. However, following on from the Barclay review a one-year Tone Date and three-yearly revaluations will become the new norm. Due to the pandemic, the 2022 Revaluation has been postponed by the Scottish Government until April 2023, but the introduction of

the one-year Tone date has been brought forward from its original timescale of 2025 to become law from 2022. This requires gathering and analysis of rental evidence to allow the valuations of all 14,400 Non-Domestic subjects in the Board's area in time to produce a draft list by October 2022. In effect, there are a number of key deliverables in a very short timeframe :

- Disposal of circa 5,900 appeals
- New appeals system
- Tone Date of April 2022
- Production of the draft list by October 2022
- Revaluation effective from April 2023

Finally, the staffing risk was increased at the review of the Corporate Risk Register in February 2020 and remained high in the February 2021 report, due to the inability of the Board to recruit two qualified valuers despite two recent recruitment drives. This has now been resolved with the recent recruitment of two qualified staff, although there are still core vacancies that require to be filled.

There remains a significant additional demand on staff to deal with this number of appeals in a very short timescale and to begin preparations for the next Revaluation in 2023, while undergoing training for the new appeals processes and the new IT system.

Risk	Likelihood	Impact	Score	Evaluation
The severe risk that the Board breaches their statutory duties in terms of disposal date for the 2017 Revaluation Appeals and Running Roll Appeals as a result of the effects of the COVID-19 pandemic and the lack of qualified staff	4	5	20	Very High
The risk that the Board fails to meet its financial commitments due to budgetary pressures as a result of increased financial pressures on the Board from their constituent authorities and the Scottish Government	4	5	20	Very High
The risk that legislative changes associated with national or European law could potentially create unexpected budgetary pressures	4	5	20	Very High
The risk that Board does not have sufficient capacity to deal with changes / development in IT, including changing demands, which could impact on service delivery	4	4	16	High
The risk of unplanned electoral events, which are now an ever-increasing possibility and put a significant strain of the Board's budget. Canvass reform is expected to reduce costs associated with canvass but the reduction is unknown at the present time.	4	4	16	High
The risk of loss of data sets, which would result in loss of service to all stakeholders e.g. through hacking	4	4	16	High
The risk of loss of information; the Board has invested in a Document Management System but a significant amount of information is still held in paper format	3	4	12	High
The risk that, given existing staff demographics, a number of key personnel could retire over the next 5 years, affecting the Board's ability to deliver services	4	4	16	High

COVID-19 Lockdown: Remote Working

At the time of writing, the organisation is still delivering all services across its three statutory functions through remote working. The Assessor & ERO has kept the Board informed throughout lockdown of services available and the number of employees facilitated for remote working, as prior to 23 March 2020, there was very limited remote working capacity. A special note of thanks goes to everyone involved for their patience and understanding including all stakeholders and members of the public.

It is worth mentioning, as noted above, that there has been an almost unprecedented number of Material Change of Circumstances Appeals lodged by ratepayers because of the effect of COVID-19 on their businesses. This has resulted in 2,376 appeals being lodged for 2020/21 and 3,552 lodged for 2019/20, compared with 306 for 2018/19; to further add to the pressures on the organisation, with disposal dates either December 2021 or March 2022. Progress on these appeals will be closely monitored by the management team and staff may be asked to work overtime if they can.

Outlook and Future Plans

Budgeted expenditure for 2020/21 of £2,855k was agreed by the Board on 26 February 2021. Of this, £455k is met from funding related to the implementation of Barclay recommendations.

The Board recognises the difficult financial climate facing local authorities and has continued to seek efficiencies wherever possible. Requisition levels are increased by 1.8% for 2021/22 and a prudent level of reserves use is planned over the next three years. The updated reserves position was reported to the Board on 28 May 2021 in light of the 2020/21 Barclay underspend being repaid to the Scottish Government.

As previously mentioned, the Assessor & ERO has reviewed the organisational structure, and has had some success in the filling of vacancies, however the core vacancies are still outstanding. Staffing levels will be constantly monitored and reviewed as required over the coming months.

This has been a dynamic period for the organisation, as legislative changes in both the Non-Domestic Valuation service and the Electoral function have been constant and complex requiring staff training and new processes to be developed. The Assessor & ERO along with the management team will keep all matters under review.

Conclusion

We would like to take this opportunity to acknowledge the team effort required to produce the accounts and to record our thanks to all the staff involved for their continued hard work and support. Board reports and minutes, including Performance and risk reporting, can be accessed via Renfrewshire Council's website under [Your Council>Agendas and Minutes>Joint Arrangements>Renfrewshire Valuation Joint Board](#).

Councillor Audrey Doig

Councillor Audrey Doig

Convener

19 November 2021

Alan Russell, CPFA

Alan Russell CPFA

Treasurer

19 November 2021

Robert Nicol

Robert Nicol

Assessor and Electoral Registration Officer

19 November 2021

Statement of Responsibilities for the Annual Accounts

The Board's Responsibilities

The Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Board has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). The designated officer is Renfrewshire Council's Director of Finance and Resources, who is also the Treasurer of Renfrewshire Valuation Joint Board;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that 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);
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Board at its meeting on the 19 November 2021.

Signed on behalf of Renfrewshire Valuation Joint Board.

Councillor Audrey Doig

Councillor Audrey Doig

Convener

19 November 2021

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation);

The Treasurer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2021.

Alan Russell, CPFA

Alan Russell CPFA

Treasurer

19 November 2021

Annual Governance Statement

Scope of Responsibility

Renfrewshire Valuation Joint Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. 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 Joint Board's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Board's Governance Framework

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

The Board has put in place a system of internal control designed to manage risk to a reasonable level. Internal control 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 based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Board's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main features of our governance arrangements are summarised as:

- Clearly defined Standing Orders, Scheme of Delegation, Financial Regulations and Tender Procedures;
- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve our corporate objectives;
- Regular public performance reporting;
- Business continuity planning arrangements are in place and regularly reviewed;
- Policies to regulate employee-related matters, including the employee code of conduct and disciplinary procedures;
- Arrangements to manage risk, including the Risk Management Strategy, Corporate Risk Register and business continuity plans;
- Clear customer complaints procedures;
- Comprehensive policies and procedures for physical and information security;
- Arrangements supported by a range of policies and guidelines in compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption;
- A register of interest is in place and updated on an annual basis;
- Internal governance review arrangements, including a programme of policy and procedure reviews and a governance working group responsible for all governance-related matters including, but not limited to, freedom of information, data protection, risk management, business continuity and monitoring of audit actions.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded and material errors are detected and corrected.

The system is based on a framework of management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability.

The system includes:

- Financial management, supported by comprehensive financial regulations and codes;
- Comprehensive budgeting systems and detailed guidance for budget holders;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts;
- The Chief Finance Officer is the Treasurer, who complies with the CIPFA Statement on the Role of The CFO in Public Services.

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Board are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of Renfrewshire Council. This includes regular reviews by the Chief Auditor of Renfrewshire Council. The Council conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019).

Review of Effectiveness

Members and officers of the Board are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Assessor & ERO, including the use of a self-assessment tool covering five key areas of governance.

These are:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity
- Impact of Coronavirus (COVID-19)

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Board's internal audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process.

The Council's Chief Auditor provides an annual report to the Board and an independent opinion on the adequacy and effectiveness of the system of internal control.

The Council's Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Board's internal control systems.

The review has not identified any significant governance issues to be reported on for 2020/21 and no actions arising for the 2019/20 governance statement that require to be reported on.

This governance framework has been in place throughout the year. The outbreak of Coronavirus (COVID-19) did not result in any changes to the governance arrangements for 2020/21. The risk of social distancing continuing and its potential impact on the governance arrangements continues to be reviewed and monitored through robust risk management arrangements.

Assurance

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 & 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.

Councillor Audrey Doig

Councillor Audrey Doig

Convener

19 November 2021

Robert Nicol

Robert Nicol

Assessor and Electoral Registration Officer

19 November 2021

Remuneration Report

All information disclosed in the tables in this Remuneration Report will be audited by the Board's appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

Remuneration policy for elected members

As noted by the Board on 17 May 2013, since 1 April 2013 the Board has made no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members.

Furthermore, no recharges have been made by member authorities in relation to elected member remuneration.

Remuneration policy for senior employees

The Remuneration Policy of the Board is set in reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The SJNC advised that it would be a matter for each Council to examine the position of other chief officials.

It was agreed at the Board of 24 January 1997 that the salary of the posts of Assessor & ERO be set at a percentage of the Chief Executive of Renfrewshire Council, which is currently 67%. Following a review of Chief Executives' salaries in 2001, it was agreed that this arrangement should continue. This was agreed at a meeting of the Board on 22 November 2002.

2019/20 Total Remuneration £	Name	Post Held	2020/21 Total Remuneration £
98,954	Kate Crawford	Assessor & Electoral Registration Officer	101,363

Pension rights

Pension benefits for Joint Board employees are provided through the Local Government Pension Scheme (LGPS).

From 1 April 2015, benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices).

The scheme's normal retirement age is linked to the state pension age for each member.

From 1 April 2009, a five-tier contribution system was introduced, with contributions from scheme members being based on how much pay falls into each tier. This

is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contributions rates were set at 6% for all non-manual employees.

Tiered contribution rates on whole time pay 2020/21		Equivalent bandings for 2019/20
Up to £22,200	5.5%	Up to £21,800
£22,201 to £27,100	7.25%	£21,801 to £26,700
£27,101 to £37,200	8.5%	£26,701 to £36,600
£37,201 to £49,600	9.5%	£36,601 to £48,800
Over £49,601	12%	Over £48,801

If a person works part-time, their contribution rate will be based on their part-time pay.

The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living (prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

The current Assessor & ERO is not a pension scheme member. No pension contributions are made by the Board in relation to the Convener or Vice Convener.

Exit Packages

There were no exit packages committed by the Board in either 2020/21 or 2019/20.

Councillor Audrey Doig

Councillor Audrey Doig

Convener

19 November 2021

Remuneration of Employees

The following table shows the number of employees who received remuneration, excluding pension contributions, in excess of £50,000 during 2020/21, in bands of £5,000.

Bands with nil employees in both years are not displayed.

2019/20 Number of employees	Remuneration Band	2020/21 Number of employees
1	£50,000 - £54,999	2
0	£55,000 - 59,999	1
1	£60,000 - £64,999	0
0	£65,000 - 69,999	1
1	£95,000 - £99,999	0
0	£100,000 - £104,999	1
3	Total	5

Robert Nicol

Robert Nicol

Assessor and Electoral Registration Officer

19 November 2021

Independent Auditor's Report to the members of Renfrewshire Valuation Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Renfrewshire Valuation Joint Board for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Renfrewshire Valuation Joint Board as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 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 under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is five years. I am independent of Renfrewshire 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 Renfrewshire 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 Renfrewshire 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.

Risks of material misstatement

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

Responsibilities of the Treasurer and 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 Renfrewshire Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

Auditor's responsibilities for the audit of the financial statements

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

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 Renfrewshire Valuation Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of Renfrewshire 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 Renfrewshire 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.

Report 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.

Statutory other information

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

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether 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 statutory 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 statutory 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 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, or

- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

Mark Ferris

Mark Ferris
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

20 November 2021

Comprehensive Income and Expenditure Statement

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.

2019/20			Note	2020/21		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
1,887,486	0	1,887,486	Employee Costs	1,968,325	0	1,968,325
126,920	0	126,920	Property Costs	189,228	0	189,228
391,395	0	391,395	Supplies and Services	522,434	0	522,434
79,925	0	79,925	Support Costs	95,781	0	95,781
6,767	0	6,767	Transfer Payments	6,678	0	6,678
15,637	0	15,637	Transport Costs	1,859	0	1,859
62,524	0	62,524	Capital Charges	21,092	0	21,092
0	(193,305)	(193,305)	Other Income	0	(317,608)	(317,608)
2,570,654	(193,305)	2,377,349	Cost of Services	2,805,397	(317,608)	2,487,789
			Financing and Investment Income and Expenditure			
0	(1,004)	(1,004)	Interest receivable	0	(4,276)	(4,276)
79,000	0	79,000	Pension interest 13a	44,000	0	44,000
			Taxation and Non-Specific Grant Income			
0	(2,500,500)	(2,500,500)	Requisitions from Member Authorities 11	0	(2,601,373)	(2,601,373)
0	0	0	Capital Grant 6	0	(49,150)	(49,150)
2,649,654	(2,694,809)	(45,155)	Surplus on the Provision of Services	2,849,397	(2,972,407)	(123,010)
		(1,589,000)	Actuarial (Gain)/Loss on pension assets 13a			381,000
		(1,589,000)	Other Comprehensive Income & Expenditure			381,000
		(1,634,155)	Total Comprehensive Income & Expenditure			257,990

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

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Board, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The Total Comprehensive Income and Expenditure line shows the cost of providing the Board's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Movement in reserves in 2020/21	Note	Usable Revenue Reserve £	Unusable Reserves £	Total Reserves £
Balance at 31 March 2020 brought forward		(399,063)	1,680,525	1,281,462
Total Comprehensive income and expenditure		(123,010)	381,000	257,990
Adjustments between accounting basis and funding basis under regulations	4	(153,066)	153,066	0
Increase or (decrease) in year		(276,076)	534,066	257,990
Balance at 31 March 2021 carried forward		(675,139)	2,214,591	1,539,452

Comparative movements in 2019/20	Note	Usable Revenue Reserve £	Unusable Reserves £	Total Reserves £
Balance at 31 March 2019 brought forward		(130,335)	3,045,952	2,915,617
Total Comprehensive income and expenditure		(45,155)	(1,589,000)	(1,634,155)
Adjustments between accounting basis and funding basis under regulations	4	(223,573)	223,573	0
Increase or (decrease) in year		(268,728)	(1,365,427)	(1,634,155)
Balance at 31 March 2020 carried forward		(399,063)	1,680,525	1,281,462

The Usable Reserve balance at 31 March 2021 includes an earmarked reserve of £55,000 for software development and £156,055 for the May 2022 election.

Balance Sheet

The Balance Sheet shows the value as at 31 March 2021 of the assets and liabilities recognised by the Board. The net liabilities of the Board (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are 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 comprises those that the Board is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

2019/20 £		Note	2020/21 £
59,930	Intangible Assets	5	198,721
20,656	Plant and Equipment	7	15,104
80,586	Long-term Assets		213,825
506,898	Funds held by Renfrewshire Council		833,784
31,567	Debtors and Prepayments	8	46,798
100	Cash in Hand		100
538,565	Current Assets		880,682
(167,612)	Creditors and Accruals	9	(284,959)
(167,612)	Current Liabilities		(284,959)
(1,733,000)	Pension Liability	13c	(2,349,000)
(1,733,000)	Long Term Liabilities		(2,349,000)
(1,281,462)	Net Liabilities		(1,539,452)
(399,063)	Usable Reserves		(675,139)
1,680,525	Unusable Reserves	3	2,214,591
1,281,462	Total Reserves		1,539,452

The unaudited accounts were issued on 28 May 2021 and the audited accounts were authorised for issue on 19 November 2021.

Alan Russell, CPFA

Alan Russell CPFA

Treasurer

19 November 2021

Note 1: Expenditure and Funding Analysis

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Board's financial performance on a funding basis and the (surplus) or deficit on the provision of service in the Comprehensive Income and Expenditure statement.

2020/21	Net Expenditure chargeable to the Board £	Adjustments for pensions £	Adjustments for capital £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	1,726,020	191,000	0	51,305	1,968,325
Property Costs	189,228	0	0	0	189,228
Supplies and Services	522,434	0	0	0	522,434
Support Costs	95,781	0	0	0	95,781
Transfer Payments	6,678	0	0	0	6,678
Transport Costs	1,859	0	0	0	1,859
Capital Charges	105,181	0	(84,089)	0	21,092
Other Income	(321,884)	0	0	4,276	(317,608)
Cost of Services	2,325,297	191,000	(84,089)	55,581	2,487,789
Other income and expenditure	(2,601,373)	44,000	(49,150)	(4,276)	(2,610,799)
(Surplus) or deficit on the provision of services	(276,076)	235,000	(133,239)	51,305	(123,010)

2019/20	Net Expenditure chargeable to the Board £	Adjustments for pensions £	Adjustments for capital £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	1,743,387	160,000	0	(15,901)	1,887,486
Property Costs	126,920	0	0	0	126,920
Supplies and Services	410,445	0	(19,050)	0	391,395
Support Costs	79,925	0	0	0	79,925
Transfer Payments	6,767	0	0	0	6,767
Transport Costs	15,637	0	0	0	15,637
Capital Charges	43,000	0	19,524	0	62,524
Other Income	(194,309)	0	0	1,004	(193,305)
Cost of Services	2,231,772	160,000	474	(14,897)	2,377,349
Other income and expenditure	(2,500,500)	79,000	0	(1,004)	(2,422,504)
(Surplus) or deficit on the provision of services	(268,728)	239,000	474	(15,901)	(45,155)

Note 2: Accounting Standards Issued not 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.

There are no new standards that have a material impact on the Board's accounts.

Note 3: Unusable Reserves

Pension Reserve

2019/20 £	Pension Reserve	2020/21 £
3,083,000	Opening balance	1,733,000
(1,589,000)	Actuarial (Gains) / Loss on Pension Assets	381,000
239,000	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	235,000
1,733,000	Closing balance	2,349,000

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to pension funds.

The debit balance on the Pension Reserve shows a significant shortfall in the benefits earned by past and current employees and the Board's share of Strathclyde Pension Fund resources available to meet them. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid.

Employee Statutory Adjustment Account

2019/20 £	Employee Statutory Adjustment Account	2020/21 £
44,012	Opening balance	28,111
(44,012)	Reversal of prior year accrual for short-term accumulating compensated absences	(28,111)
28,111	Accrual for short-term accumulating compensating absences as at 31 March	79,416
28,111	Closing balance	79,416

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for short-term accumulating compensated absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate.

This means that where employees' full holiday entitlement or time in lieu balance has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from the Employee Statutory Adjustment Account.

Capital Adjustment Account

2019/20 £	Capital Adjustment Account	2020/21 £
(81,060)	Opening balance	(80,586)
7,794	Charges for depreciation of non-current assets	5,552
11,730	Amortisation of intangible assets	15,540
(19,050)	Capital expenditure charged against Revenue balances	(105,181)
0	Capital grants credited to the CIES that have been applied to capital financing	(49,150)
(80,586)	Closing balance	(213,825)

The Capital Adjustment Account absorbs 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. It is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES and credited with the amounts set aside as finance for these costs.

Note 4: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserves was £202,216 higher than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Board's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Board to debit and credit the Revenue Reserve Balance.

2020/21	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(21,092)	21,092
Capital expenditure charged against Revenue balances	105,181	(105,181)
Capital grants and contributions applied	49,150	(49,150)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(474,000)	474,000
Employers contributions payable to the Strathclyde Pension Fund	239,000	(239,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(51,305)	51,305
Total adjustments	(153,066)	153,066

2019/20	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(19,524)	19,524
Capital expenditure charged against Revenue balances	19,050	(19,050)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(481,000)	481,000
Employers contributions payable to the Strathclyde Pension Fund	242,000	(242,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	15,901	(15,901)
Total adjustments	(223,573)	223,573

Note 5: Intangible Assets

2019/20		2020/21		
Software £		Software £	Assets Under Construction £	Total £
	Opening balance			
58,650	Gross carrying amounts	77,700	0	77,700
(6,040)	Accumulated amortisation	(17,770)	0	(17,770)
52,610	Net carrying amount at 1 April	59,930	0	59,930
19,050	Additions	49,150	105,181	154,331
(11,730)	Amortisation for the year	(15,540)	0	(15,540)
59,930	Net carrying amount at 31 March	93,540	105,181	198,721
	Comprising:			
77,700	Gross carrying amounts	126,850	105,181	232,031
(17,770)	Accumulated amortisation	(33,310)	0	(33,310)
59,930		93,540	105,181	198,721

The asset under construction is the new Progress ICT system under development, which is not yet operational.

Note 6: Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table, together with the resources that have been used to finance it. The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the Board that has yet to be financed.

2019/20 £		2020/21 £
0	Opening CFR	0
	Capital investment	
19,050	Intangible Assets	154,331
	Sources of finance	
(19,050)	Direct revenue contributions	(105,181)
0	Capital grants	(49,150)
0	Closing CFR	0

Note 7: Plant and Equipment

2019/20 £	Plant and Equipment	2020/21 £
	Cost or Valuation	
129,026	Opening balance at 1 April	129,026
0	Additions	0
129,026	Gross Book Value at 31 March	129,026
	Depreciation and Impairment	
(100,576)	Accumulated depreciation at 1 April	(108,370)
(7,794)	Depreciation charge for year	(5,552)
(108,370)	Accumulated depreciation at 31 March	(113,922)
28,450	Opening Net Book Value	20,656
20,656	Closing Net Book Value	15,104

Note 8: Debtors

2019/20 £		2020/21 £
25,310	Prepayments	30,321
6,257	Other receivable amounts	16,477
31,567	Total short-term debtors	46,798

Note 9: Creditors

2019/20 £		2020/21 £
0	Trade payables	0
(167,612)	Other payables	(284,959)
(167,612)	Total short-term creditors	(284,959)

Note 10: Operating Leases

The Board acquired office accommodation at the Robertson Centre in Paisley by entering into an operating lease which ends in 2024.

2019/20 £	Future Minimum Lease Payments	2020/21 £
75,250	Not later than one year	97,000
225,750	Between one and five years	194,000
301,000	Total	291,000

The lease was subject to a rent review during the year, which resulted in expenditure of £97,000 being charged to the CIES for 2020/21 (£75,250 in 2019/20).

Note 11: Related parties

The Board's related parties are those bodies or individuals that have the potential to control or significantly influence the Board, or to be controlled or significantly influenced by the Board. The Board is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties.

Disclosure of this information 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.

The member authorities of the Board have contributed requisitions in the following proportions to enable the Board to carry out its objectives. As approved by the Board in February 2000, the relative allocation of the requisition across constituent authorities is adjusted each year in line with relative proportions of Grant Aided Expenditure as issued by the Scottish Government.

2019/20 £	Council	%	2020/21 £
514,930	East Renfrewshire	20.6%	567,454
577,370	Inverclyde	23.0%	631,044
1,408,200	Renfrewshire	56.4%	1,551,072
2,500,500	Total	100.0%	2,749,570

Of the 2020/21 total shown, £471,000 was Barclay-related funding (£200,000 in 2019/20). In 2020/21, £148,197 of the Barclay funding was unspent at 31 March and has now been repaid to the Scottish Government.

Note 12: External audit costs

2019/20 £		2020/21 £
7,450	Fees payable with regard to external audit services carried out by the appointed auditor	7,610
7,450		7,610

The principal risks to the scheme are assumptions relating to longevity, inflation, and investment performance; in addition, statutory changes to the scheme. These risks are mitigated to an extent by statutory requirements limiting charges to the Board's reserves.

Current service cost is the cost of future entitlements to pension payments to current employees. Past service cost is the estimated increase in liabilities arising from current year decisions that relates to years of service earned prior to this year.

Net Interest is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of the Strathclyde Pension Fund's liabilities because they are one year closer to settlement.

The Movement on Pension Reserve represents the net change in the pension liability recognised in the Movement in Reserves Statement for pension payments made by the Board to the Strathclyde Pension Fund during the year.

The Board is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2020/21 these amounted to £7,478 (2019/20 £9,486).

Note 13: Retirement Benefits

As part of the terms and conditions of employment of its employees, the Board offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The scheme for employees is the Strathclyde Pension Fund which is administered by Glasgow City Council. This is a "funded" defined benefit scheme meaning that the Board and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liability with investment assets.

13a: Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Board in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.

The following transactions have been made in the accounting statements in 2020/21:

2019/20 £		2020/21 £
	Comprehensive Income and Expenditure Statement (CIES)	
538,000	Current service cost	430,000
(136,000)	Past service cost/(gain)	0
	Financing and Investment Income and Expenditure	
79,000	Net Interest	44,000
481,000	Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services	474,000
	Other post employment benefit charged to the CIES	
1,076,000	Return on assets excluding amounts included in net interest	(3,520,000)
(2,594,000)	Actuarial gain / (loss) arising on changes in financial and demographic assumptions	3,397,000
(71,000)	Other gains and (losses)	504,000
(1,589,000)	Total Actuarial (Gain)/Loss	381,000
(1,108,000)	Total post employment benefit charged to the CIES	855,000
	Movement in Reserves Statement	
(239,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	(235,000)
1,589,000	Actuarial gain / (loss) on pension assets / liabilities	(381,000)
242,000	Employers Contributions paid to Strathclyde Pension Fund	239,000

13b: Assets and liabilities in relation to retirement benefits

A reconciliation of the Board's share of the present value of the Strathclyde Pension Fund's liabilities is as follows:

2019/20 £000		2020/21 £000
19,321	Opening present value	17,214
538	Current service cost	430
(136)	Past service cost	0
468	Interest Cost	399
76	Employee Contributions	76
	Remeasurement (gains)/losses:	
(2,665)	Actuarial (gains)/losses arising from changes in financial/demographic assumptions	2,583
(2)	Unfunded benefits paid	(2)
(386)	Benefits Paid	(373)
17,214	Closing present value of scheme liabilities	20,327

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

2019/20 £000		2020/21 £000
16,238	Opening Fair Value	15,481
389	Interest Income	355
	Remeasurement gain/(loss):	
(1,076)	Return on assets excluding amounts included in net interest	2,202
240	Contributions from employer	237
76	Contributions from employee	76
2	Contributions in respect of unfunded benefits	2
(2)	Unfunded benefits paid	(2)
(386)	Benefits Paid	(373)
15,481	Closing fair value of scheme assets	17,978

13c: Fund history

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Present Value of Liabilities	(18,456)	(17,220)	(19,321)	(17,214)	(20,327)
Fair value of assets	13,701	15,544	16,238	15,481	17,978
Surplus/(deficit) in the scheme	(4,755)	(1,676)	(3,083)	(1,733)	(2,349)

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The total liability of £2,349k has a substantial impact on the net worth of the Board as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Board remains assured. The deficit on the Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary. The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2022 is £294k.

13d: Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. The rate for employer

contributions was set at 20.2% for 2019/20 and 2020/21, however following the triennial valuation of the Strathclyde Pension Fund in March 2020, this rate is set to increase to 25% for the next three financial years until 31 March 2024.

13e: Basis for estimating assets and liabilities

The Board's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have 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 2020.

The principal assumptions used by the actuary were as follows:

2019/20	Mortality assumptions	2020/21
Longevity at 65 for current pensioners (years)		
20.7	Men	19.8
22.9	Women	22.6
Longevity at 65 for Future pensioners (years)		
22.2	Men	21.2
24.6	Women	24.7
Other assumptions		
3.00%	Rate of increase in salaries	3.55%
1.90%	Rate of increase in pensions	2.85%
2.30%	Rate for discounting scheme liabilities	2.00%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The value of the pension fund liability is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has 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.

Impact on the Pension Scheme liability:	%	£
0.5% decrease in Real Discount Rate	10%	1,976
0.5% increase in Salary Increase Rate	1%	302
0.5% increase in Pension Increase Rate	8%	1,623

The pension scheme's assets consist of the following categories and proportions of the total assets held:

2019/20 £000		%	2020/21 £000
5,431	Equity instruments	41.2%	7,410
486	Debt instruments (bonds)	0.0%	0
1,402	Real Estate	8.1%	1,463
6,598	Investment Funds and Unit Trusts	48.8%	8,769
0	Derivatives	0.0%	(1)
1,565	Cash and Cash Equivalents	1.9%	337
15,481	Total	100.0%	17,978

Note 14: Events after the Balance Sheet date

Events taking place after the authorised date for issue per the Balance Sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no non-adjusting events.

Note 15: Contingent Liabilities

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme 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's and women's benefits.

Strathclyde Pension Fund's actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £80k for Renfrewshire Joint Valuation Board. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Following two court cases, including Mrs Goodwin v Department for Education, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex

spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be in the range of 0.1%-0.2% of gross obligations, which equates to between £20.3k and £40.6k for Renfrewshire Valuation Joint Board. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 16: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Board's transactions for the 2020/21 financial year and its financial position as at 31 March 2021. The Board is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Code is issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and is designed to give a true and fair view of the financial performance of the Board.

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of pension assets and liabilities where appropriate. The Annual Accounts have been prepared on a going concern basis.

B Accruals of Expenditure and Income

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

In particular:

- revenue from the sale of goods is recognised when the Board transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Board;
- revenue from the provision of services is recognised when the performance obligation relating to the transaction has been satisfied and it is probable that the economic benefits or service potential associated with the transaction will flow to the Board;
- expenditure in relation to services received (including services provided by employees) is recorded when the service is received rather than when payment is made;
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Provisions

Provisions are made where an event has taken place that gives the Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable

estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the CIES. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

D Contingent Liabilities

Contingent liabilities are disclosed in the accounts, but not recognised in the Balance Sheet, in circumstances where:

- an event has taken place that gives the Board a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Board; or
- a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

E Employee Benefits

Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year end and that employees may carry forward into the next financial year.

Post-employment benefits

The Board participates in the Local Government Pension Scheme (LGPS), administered by Strathclyde Pension Fund. The LGPS is accounted for as a defined benefit scheme and in accordance with International Accounting Standard 19 (IAS19) the Board has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the payment will be many years into the future.

This involves the recognition in the Balance Sheet of the Board's share of the net pension asset or liability in the Strathclyde Pension Fund and a pension reserve.

The liabilities of the Strathclyde 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 and projections of earnings for current employees.

Liabilities are discounted to their value at current prices using a discount rate based on the current rate of return on high quality corporate bonds.

The assets of the Strathclyde Pension Fund attributable to the Board are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

The Comprehensive Income and Expenditure Statement (CIES) also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The change in the net pension liability is analysed into the following components:

- **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the CIES 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, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;
- **net interest cost on the defined benefit liability** – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment

Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;

- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and
- **contributions paid to the pension fund** – cash paid as employer’s contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the amount payable by the Board to be the amount paid directly to pensioners in the year, not the amount calculated according to the relevant accounting standards in the CIES.

In the Movement in Reserves Statement this means that there are transfers 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.

F Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur

between the end of the reporting period and the date when the accounts are authorised for issue.

There are two types of events:

- **Adjusting events** – those that provide evidence of conditions that existed at the end of the reporting period, and the accounts are adjusted to reflect such events
- **Non-adjusting events** – those that are indicative of conditions that arose after the reporting period, and the accounts are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

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

G 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 made only 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 (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless

otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

H Government Grants and other 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 CIES until conditions attaching to the grant or contribution have been satisfied.

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 Specific Grant Income line in the CIES.

I Leases

Operating Leases: Board as Lessee

Rentals paid under operating leases are charged to the CIES as an expense of the services benefiting from use of the leased property, plant or equipment.

Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

The risks and rewards of ownership remain with the lessors along with the title of the property.

J 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 plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset (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.

Plant, furniture and computer equipment costing less than £9,000 are not treated as fixed assets. This de minimis level does not apply where certain categories of these assets are grouped together and form part of an approved capital programme.

Assets are then carried in the Balance Sheet using the depreciated historical cost.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated, an impairment loss is recognised for the shortfall and the carrying amount of the asset is written down in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the CIES, 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).

Depreciation

Depreciation is provided for on all Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. For ICT equipment, this is calculated on a straight-line basis over five years.

K 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 initially at cost. Amounts are revalued where the fair value of the assets held by the Board can be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful economic life on a straight-line basis in the CIES. For software, this is deemed to be five years.

An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

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 Revenue Reserve. The gains and losses are therefore reversed out of the Revenue Reserve in the

Movement in Reserves Statement and posted to the Capital Adjustment Account and Capital Receipts Reserve.

All capital expenditure is charged to the constituent authorities, meaning that the Board has no requirement to borrow.

Software costing less than £9,000 is not treated as an intangible asset and is charged to the CIES. This de minimis does not apply where certain categories of assets are grouped together.

L Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are unrealised net gains that have a deferred impact on the Board.

Usable Reserves

The Revenue Reserve represents surplus funds held by the Board, which are ultimately repayable to the constituent authorities in the same allocation proportions as the requisitions.

Unusable Reserves

Certain reserves are held to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the Board; these reserves are explained in the Unusable Reserves note.

M Value Added Tax (VAT)

Income and Expenditure excludes any amount relating to VAT, as all VAT collected is payable to HM Revenue and Customs (HMRC) and all VAT paid is recoverable from HMRC.

Note 17: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 16, the Board has had to make certain judgements about complex transactions or those involving uncertainty about future events.

Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however, a summary of those with the most significant effect is detailed below.

Leases	An analysis of the terms of the lease for the Robertson Centre has concluded that it is an operating lease. Further detail can be found in Note 10.
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Item	Pensions Liability
Uncertainties	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. Actuaries are engaged to provide the Board with expert advice about the assumptions to be applied. Further details can be found in Note 13.
Effect if Results differ from Assumption	The effects on the net pensions liability, valued at £2.349m at 31 March 2021, of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £1.976m, equating to a 10% increase.

Note 18: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Board about the future or that 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 Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows: