



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

**Unaudited Annual Accounts
2024/25**

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Management Commentary

GENERAL SERVICE AIMS AND OBJECTIVES

WHO WE ARE

Dunbartonshire and Argyll & Bute Valuation Joint Board (the Board) is an independent local government body which was established by The Valuation Joint Boards (Scotland) Order 1995.

WHAT WE DO

We professionally compile and maintain the Valuation Rolls, Council Tax Valuation Lists and Registers of Electors for the Argyll & Bute, East Dunbartonshire and West Dunbartonshire Council areas.

OUR AIMS

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

COMMITMENTS

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

- Consulting our stakeholders, and listening to their views;
- Valuing staff and providing them with opportunities to develop and contribute;
- Reacting innovatively to change;
- Encouraging innovation within the organisation;
- Treating all stakeholders in a fair and consistent manner;
- Striving for continuous improvement in all aspects of service delivery whilst maintaining an appropriate balance between quality and cost;
- Ensuring that we are accountable to stakeholders;
- Pro-actively planning workloads and deploying resources efficiently;
- Using language which is easy to understand;
- Working with our partners in the Scottish Assessors' Association to ensure transparency and Scotland-wide consistency of approach to service delivery;
- Using and caring for the data we hold in an appropriate way.

Management Commentary

1.0 INTRODUCTION

This report comprises the Board's Management Commentary to the Annual Accounts in relation to the 2024/25 financial year.

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

The requirements governing the format and content of local authorities' annual accounts (under s.106 of the Local Government (Scotland) Act 1973 joint boards and committees are to be treated as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the "Code").

New processes arising from the Non-Domestic Rates (Scotland) Act (2020), continued to impact the administration of the Non-Domestic Rating (NDR) system. Changes to the appeal system through the Local Taxation Chamber (LTC), under the realm of the Scottish Courts and Tribunals Service (SCTS) are now firmly bedded in, and a steady flow of work arises from this.

The annual requirement to correspond with operators of self-catering properties has proven to be challenging and resource intensive. A new legal time limit for a response to be made in relation to each financial year has resulted in a larger than normal removal of properties from the valuation roll. This has resulted in a stream of complaints and proposals.

Maintenance activity in relation to the Council Tax List saw 1,210 new houses added to the Valuation List. A backlog in the workstream of reviewing the band for a property which has been extended and sold which was discovered toward the end of the previous financial year was cleared. The Board introduced a new Key Performance Indicator for this workstream. Council Tax Proposals continue to be received at a steady rate and are being dealt with in accordance with legislative time limits. Subsequent appeals to the LTC continue to be listed for hearing, with a mix of in person and online hearings.

The annual Electoral Register was published on 1 December 2024 following the annual canvass. The electorate for the area was 226,577. Following the enactment of the Elections Act 2022, many new processes and procedures are now embedded in normal workstreams. Planning is underway for the next large change, the invitation to UK Postal Voters to re-apply for their postal vote, which must be done before the end of January 2026.

Procurement was completed on the Board's project to deliver a new Assessors core system. Having previously re-organised the valuation teams, and deleting posts to fund this project, the delivery of the new system is eagerly awaited. Work has proceeded at pace during the year to analyse current data sets and prepare them for import and testing in the new system.

The discovery of RAAC in the roof of the Board's Clydebank Office necessitated a change of occupation of the building, and the start of a project to review the Board's accommodation requirements. The RAAC response, and the creation of a RAAC Management Plan, and associated Risk Management was a time consuming, but necessary process.

Management Commentary

The Management Team continues to be the main forum for decision making within the organisation. It met regularly throughout 2024/25 to manage statutory functions and operations, and develop, implement and monitor policies and strategies.

2.0 GENERAL PROGRESS IN RELATION TO STATUTORY FUNCTIONS

2.1 NON-DOMESTIC RATING

Aims

- To carry out a general revaluation as required by law, currently every 3 years.
- To timeously compile and maintain the Valuation Roll in accordance with the relevant legislation, to take account of new properties, properties which should no longer be entered in the roll, properties which have been altered, changes to the parties shown in the Roll and other changes arising from statute or other decisions of the Courts.
- To consolidate or improve upon the time taken between the date on which amendments to the Valuation Roll are effective and the date on which the Valuation Notice is issued.
- To publish the annual Valuation Roll and make it available to interested parties
- To deal with proposals made by ratepayers following amendments made to Valuation Rolls by providing responses to grounds and evidence submitted. Where required, to prepare and present cases where decisions are appealed through the Courts and Tribunals Service.

Maintenance of the Valuation Roll

The Valuation Roll was updated to take account of additions, alterations and deletions. 1,974 amendments were made during the year. The change year-on-year is summarised as follows:

Number of entries at 1 April 2024	15,097
Rateable Value at 1 April 2024	£394.2m
Number of entries at 31 March 2025	14,919
Rateable Value at 31 March 2025	£395.05m

The national Key Performance Indicator in relation to non-domestic valuation is the time taken from the effective date of amendments to the date a Valuation Notice in respect of each change is issued.

The following table sets out the targets and actual performance information for 2025/26:

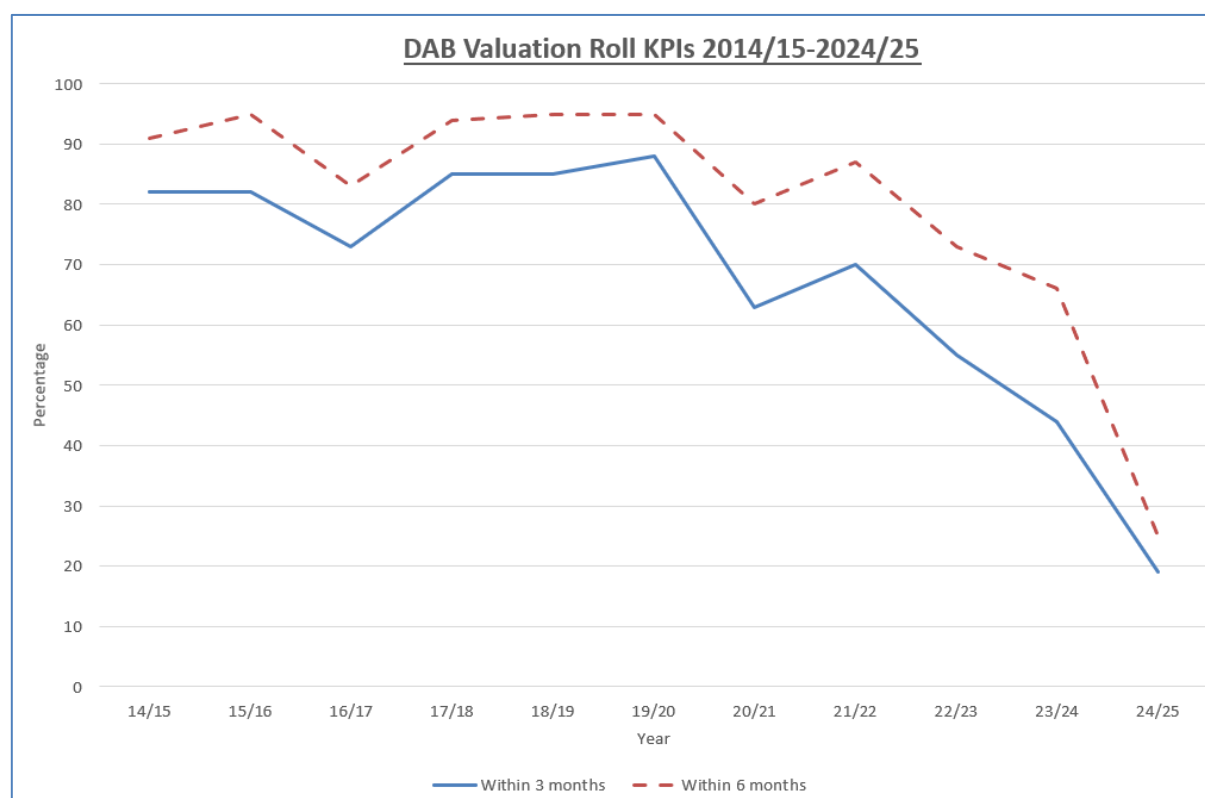
Period	Actual 2024/25	Target 2024/25	All Scotland Actual 2024/25
Within 3 months	19%	50%	Not yet available
Within 6 months	25%	65%	Not yet available

Performance in the last year again slipped from the previous year. The loss of experienced staff and the high number of trainee posts in the valuation team are a contributor to this. The training and supervision overhead for our small number of remaining qualified staff causes severe issues in progressing with workload. The problem is exacerbated by the continuing lack of qualified chartered surveyors applying for vacancies.

Management Commentary

However, the main root cause of the particularly low targets are a result of the annual self-catering audit. The audit is carried out in retrospect, with the criteria for each financial year only being assessed after the end of the relevant year. Each resulting change to the Valuation Roll is therefore out with the 6-month period. The target for the year had attempted to reflect this, however the effects of the new legislative time limits were underestimated.

The pattern of performance over a longer period is shown below. The dip in performance in 2016/17 is in line with the timing of the delivery of the 2017 Revaluation, albeit there was a 2 year run in (from the tone valuation date of 1 April 2015) in that instance. The 2023 Revaluation was delivered in a single year from the tone valuation date of 1 April 2022.



Upper Tribunal – 2005 and 2010 Roll Appeals

Appeals which have been referred to the Lands Tribunal, and now transferred to the Upper Tribunal, are of a complex nature or are likely to have national implications. Work has however been undertaken to address these. During the year, the final remaining appeal from the 2005 Revaluation was resolved. At 31 March 2025, 9 appeals from the 2010 cycle remain to be dealt with.

2017 Roll Appeals

A large amount of work was carried out during the year to deal with these appeals, with 1,344 disposed of in year, leaving 43 still to be dealt with. These 43 sit with the Upper Tribunal. Many of these relate to a nationwide challenge on the valuation of Hydro Electric subjects.

Management Commentary

2023 Roll Proposals / Appeals

Following the delivery of the 2023 Revaluation, 1,258 proposals were received. This figure is much lower than the equivalent at the 2017 Revaluation (3,569). Through the Non-Domestic Rates Act, the Scottish Government sought to cut down the number of spurious rates appeals made to Assessors. The Act appears to have achieved its intention, however the drop in numbers will not necessarily lead to a drop in workload for Assessors. New style proposals are far more substantive than old style appeals, some running to hundreds of pages. Each of these will require detailed consideration, detailed responses, and finally detailed decision notices. Where a decision is not in line with the outcome sought by the proposer, they will be able to appeal the decision to the LTC.

In addition to the Revaluation Proposals, there have been 153 other Proposals received since 1 April 2023. 718 Proposals have been disposed of to date.

Revaluation 2026

A project plan is in place to aid the delivery of the 2026 Revaluation which comes in to effect on 1 April 2026, with a valuation date of 1 April 2025. Requests for information are being issued, with Civil Penalty Notices being served in the case of non-return of information.

Non-Domestic Rating Reform Funding

The introduction of rates reform, following the Barclay Review, and the enactment of the Non Domestic Rates Act saw Assessors being funded to cover the additional work of the ongoing new burdens created.

Costs to deliver the reforms for the Joint Board area were estimated at £197,000 in 2020/21, rising to £300,000 in 2024/25 as further changes came into force. The amount received from the Scottish Government for the year was £186,000.

2.2 COUNCIL TAX

Aims

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

Maintenance of Valuation List

The year to 31 March 2024 saw 1,210 additions to the Council Tax List and a net increase in the number of dwellings shown in the Council Tax List as follows:

Number of entries at 1 April 2024	148,497
Additions during the year	1,210
Deletions during the year	517
Number of entries at 31 March 2025	149,190

Management Commentary

The number of additions in the year over time is as follows:

Year	Additions	Deletions
2024/25	1,210	517
2023/24	1,013	489
2022/23	1,231	279
2021/22	1,395	505
2020/21	917	378

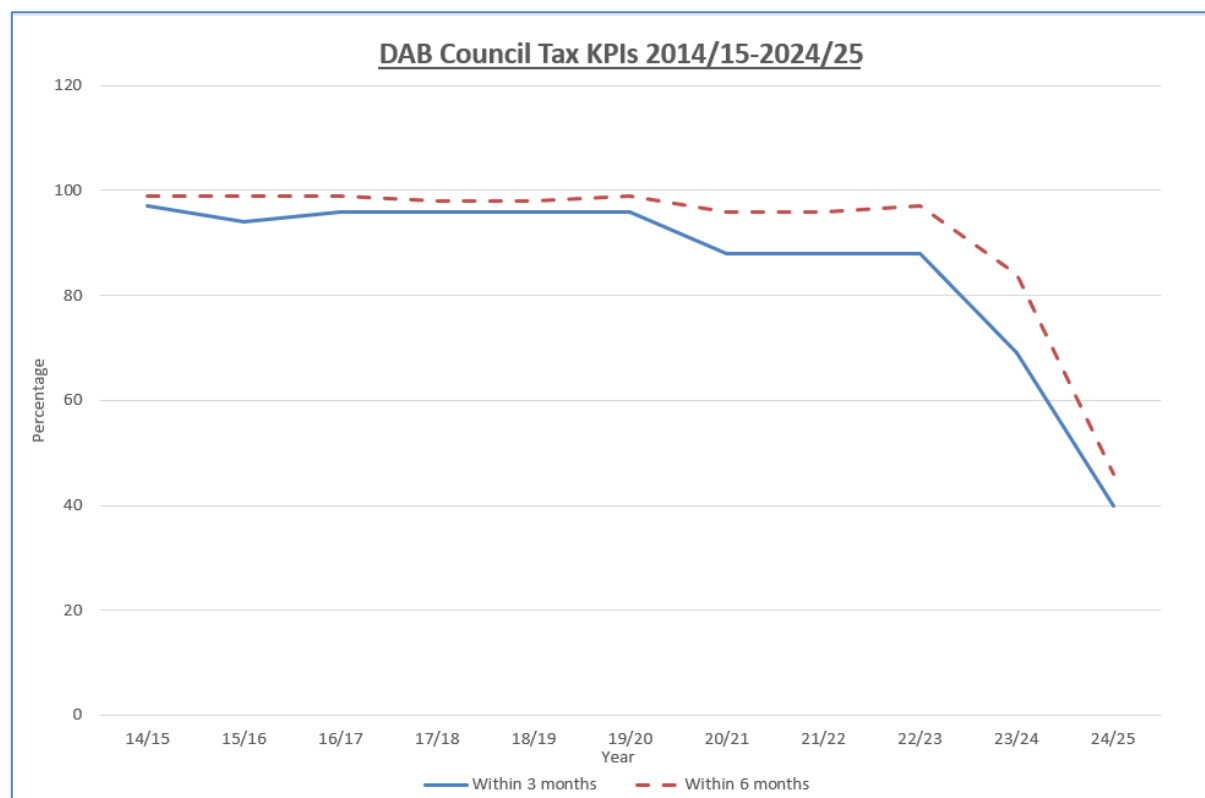
During the previous year, a backlog of sold house banding checks were identified. Where there has been a material increase to a property, and it is subsequently sold, the Assessor carries out a check to establish whether the band applied to a property remains appropriate for the extended property. Where the band requires to increase, the change is effective from the date of the first sale following the material increase. A project to address the backlog completed in year.

The national Key Performance Indicator in relation to Council Tax valuation is the time taken from the effective date of additions to the Valuation List to the date a Banding Notice in respect of each new entry is issued.

The table sets out the target and actual performance information for 2024/25:

Period	Actual 2024/25	Target 2024/25	All Scotland Actual 2024/25
Within 3 months	40%	70%	Not yet available
Within 6 months	46%	75%	Not yet available

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



Management Commentary

As with maintenance of the Valuation Roll, performance in this area of operation continued to be affected by work on Barclay Reforms, in particular the new annual audit of self-catering properties. This is not only impacting in terms of resource, but also due to the retrospective nature of the checks after the end of the financial year, any property failing the requirements is added to the Council Tax List from the 1st of the previous financial year. In these cases, the time lag is already more than a year, having a large negative impact on performance statistics.

Proposals and Appeals

During the year, 279 new proposals to alter entries in the Council Tax List were received. 181 proposals and appeals were disposed of, leaving 238 outstanding at the end of the year.

	2023/24	2024/25
Number of Proposals and Appeals Brought Forward	383	140
Disposals	478	181
New Proposals	235	279
Number of Proposals and Appeals Carried Forward	140	238

2.3 ELECTORAL REGISTRATION

Aims

- To timeously compile and maintain the Electoral Register in accordance with the relevant legislation;
- To deal promptly with all new applications to register;
- To deal with applications for absent votes, collect and securely store Personal Identifiers and maintain relevant Absent Voters lists;
- To approve applications for Voter Authority Certificates;
- To produce, distribute and make available for sale, copies of the Electoral Register in accordance with statutory arrangements and Electoral Commission performance standards;
- To encourage Electoral Registration in the three constituent Council areas; and
- To support the efficient running of electoral events within the Board area.

Electoral Registration and Publication of the Register

The Representation of the People (Annual Canvass) (Amendment) Regulations 2019 and The Representation of the People (Annual Canvass) (Miscellaneous Amendments) (Scotland) Regulations 2020 made provision for reform of the annual electoral canvass process to be amended in 2020.

Since then, households where the electors have been data matched to either national or local data sources, received 'route 1' correspondence which do not require a response unless the elector details needed to be updated or changed. Households where the register did not match to other data sources, received 'route 2' correspondence which do require a response. A further, 'route 3' option to contact 'responsible persons' in establishments such as care homes was also effected.

EROs remain duty bound to make a 'personal contact' to households that do not make a response to a 'route 2' or 'route 3' form. As a result, a full door knock, amounting to visits to 16,555 households (17,793 in 2023), was carried out.

Management Commentary

The return rates for Route 2 and Route 3 properties are shown below compared to the 2023 figures.

	2023 Canvass		2024 Canvass	
	Route 2/3 Forms Issued	Return Rate	Route 2/3 Forms Issued	Return Rate
Argyll & Bute	8,771	60.31%	8,928	57.9%
East Dunbartonshire	6,547	57.70%	6,407	56.5%
West Dunbartonshire	10,893	41.07%	10,316	36.02%
Total	26,211	51.56%	25,651	48.74%

Several methods of making returns were offered to electors and a summary of the returns is shown below. This includes properties in all routes. A response is not required for properties in Route 1 where there are no changes to be notified.

	2023 Canvass		2024 Canvass	
	Number of Returns	% Return	Number of Returns	% Return
Web	36,921	25.64%	33,793	23.37%
Telephone	872	0.61%	710	0.49%
SMS	194	0.13%	192	0.13%
Other	3,536	2.46%	2,649	1.83%
Door to Door Canvass	2,511	1.74%	2,552	1.77%
Total	44,034	30.58%	39,896	27.59%
No Response/Refused	99,969	69.42%	104,717	72.41%

At publication on 1 December 2024, the electorate was 226,577, broken down as:

	Electorate
Argyll & Bute	70,310
East Dunbartonshire	87,378
West Dunbartonshire	68,889
Total	226,577

The total electorate figure over time is shown below. Registration numbers, despite the best efforts of EROs, are largely driven by larger electoral events. The increase in year, was attributed to increased levels of registration surrounding the UK Parliamentary Election.

Year	Electorate
2024	226,577
2023	224,595
2022	225,626
2021	229,336
2020	224,800
2019	219,861
2018	219,637

Management Commentary

Absent Voters

The volume of absent voters remains high, although not at the peak levels at the time of the Scottish Government elections in 2021.

Year	Absent Voters
2024	44,062
2023	47,053
2022	46,058
2021	47,313
2020	33,596
2019	33,916
2018	34,110

Rolling Registration

Rolling Registration is the process of making changes to the register by way of monthly update. Previously, these updates were effected out with the canvass period but, since 2020, rolling registration procedures have run right through the canvass period. It is therefore no longer possible to split the annual changes arising from canvass and those arising specifically from rolling registration activities. During the financial year to March 2024, there were 16,692 additions, 18,036 deletions and 425 other amendments made to the registers for the Board area.

Electoral Performance

The Electoral Commission has now launched its revised Performance Standards regime. The Scottish Assessors Association (SAA), via its Electoral Registration Committee, are considering the updates, and are working on formalising a set of Key Performance Indicators which can be consistently collected throughout Scotland.

Elections Act

The Act received Royal Assent in May 2022. Secondary legislation to implement various stages of the Act has come in to force since then.

This is a very significant piece of legislation that includes:

- The requirement to provide Voter Identification (ID) to vote at reserved elections. This will require the ERO to authorise the issue of Voter Authority Certificates for people applying for one. This service launched in January 2023, and application numbers have been low. There have been no polls in the area during the year which required voters to show ID.
- Absent Voters on the UK Parliamentary Register now require to reapply for their absent votes every three years. Alongside this, the ability to apply for an absent vote using an online service launched in October 2023, although this only applies to UK Parliamentary Registers.
- The extension of the overseas voting franchise by removal of the existing 15 year limit on overseas electors' right to vote in UK Parliamentary elections took place in January 2024. Persons living overseas may now register on the basis of having been previously registered in the area, or having been previously resident in the area.

Funding, amounting to £193,686 has been made available from the UK Government to support the ERO in implementing these changes for the year 2024/25.

Management Commentary

Elections

There were 5 elections during the year:

- West Dunbartonshire Council Ward 5 By-Election – 13 June 2024
- UK Parliamentary General Election – 4 July 2024
- Argyll & Bute Council Ward 2 By-Election – 18 July 2024
- West Dunbartonshire Council Ward 4 By-Election – 28 November 2024
- East Dunbartonshire Council Ward 7 By-Election – 13 February 2025

All deadlines for supply of data for issue of poll cards and postal ballot packs to the Returning Officer were achieved. On polling day, our staff covered the registration office throughout polling hours.

The work involved in delivering registration services for the UK Parliamentary General Election was significant. Volumes of postal vote applications were high, due to the timing of the event coinciding with the school holiday period in Scotland. A significant amount of overtime was required by the EROs staff to ensure that all deadlines were met. The goodwill and cooperation of all staff involved contributed greatly to a well run electoral event.

3.0 GENERAL PROGRESS IN RELATION TO OTHER MATTERS

3.1 INFORMATION AND COMMUNICATIONS TECHNOLOGY

IT and Computer Provision

Computers and IT systems continue to be maintained and upgraded in accordance with the Board's ICT Strategy and the recommendations from West Dunbartonshire Council's ICT Service.

Work completed on a procurement exercise to replace the existing Assessors core system which the Joint Board inherited from Strathclyde Regional Council. Extensive work was undertaken in year to extract and prepare the Assessors data for loading in to the new system.

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

We have continued to participate in the Scottish Assessors' web portal's Project Management Committee, Project Team and Working Groups to enhance the site (www.saa.gov.uk). Work has progressed on a project to consider the future of the Portal, which is now 20 years old. A vision for the future of the Portal exists, and funding options are actively being explored. The original portal was funded by valuation authorities and Scottish Government, through Modernising Government funding.

Procurement of replacement network connections and multi-function devices were also completed in year, in conjunction with WDC.

Management Commentary

3.2 BEST VALUE

Key Performance Indicators and Public Performance Reporting

Performance in respect of Valuation Roll and Council Tax Key Performance Indicators is reported above. Our 2023/24 Public Performance Report was published during the year on our web site (www.saa.gov.uk/dab-vjb/).

Performance Management and Planning

The Management Team continues to be the main forum for planning and management of performance. In accordance with our Performance and Management Planning process, a number of actions were taken, or were ongoing, during 2024/25 which are detailed in the Annual Governance Statement below.

Audit

An internal audit took place during the year which focused on the Board's financial and asset management arrangements. The audit resulted in some actions that the Management Team have taken on board to improve processes. The audit found control measures to be satisfactory.

Customer Satisfaction

Customer feedback is sought throughout the year, with the majority of standard letters that are sent out having a link to a web form to complete.

A summary of the results for the year is provided below:

	2020/21	2021/22	2022/23	2023/24	2024/25
Was the person with whom you communicated professional, courteous and helpful?	92%	97%	94%	90%	85%
Was the matter brought to a satisfactory conclusion immediately?	56%	64%	64%	67%	63%
Was the matter brought to a satisfactory conclusion?	89%	94%	94%	87%	84%
Are you satisfied with the quality of the information or advice given to you?	90%	96%	93%	83%	85%

Equalities monitoring was undertaken, with two thirds of respondents providing information on their protected characteristics. Sample sizes within the various equality groups were generally too small to draw firm conclusions. The results are monitored by management with any apparent variations within any of the groups with protected characteristics being followed up to ensure that we are carrying out our functions in a fair and equitable manner.

Complaints Procedure

The Joint Board implemented a new Complaints Procedure, which is in line with the Scottish Public Sector Ombudsman's (SPSO) Revised Model Complaints Handling Procedure, with effect from 1 April 2021.

Management Commentary

There were 34 complaints received during 2024/25 which is a large increase from previous years. The majority of complaints related to the identified backlog of sold houses which required to have their Band reviewed. Details of this have been widely reported to the Board in the last year. The backlog of work is now cleared, and performance levels are within the tolerance levels agreed in the newly established KPI for this process. Procedures were updated, and training provided to staff. This should minimise the risk of a reoccurrence of this position.

A number of complaints centred around the annual audit of Self-Catering properties on the Valuation Roll. The Scottish Government introduced new time limits for the provision of information each year in April 2024. A number of people fell foul of this, and as a consequence their property was removed from the Valuation Roll and added to the Council Tax List. The decision to alter the Council Tax List is one that has a statutory appeal process by way of challenge, so complaints against the decision reached are unable to be progressed through the complaints process. Some of the complaints were in relation to level of service in responding to enquiries on this new process. Our team worked beyond capacity in dealing with this new workstream. This resulted in enquiries taking some time to answer in favour of the statutory process being progressed to conclusion. With no funding having been provided for this process, it is unlikely that this will change in future years.

With a UK General Election during the year, there was a spike in Electoral Registration linked complaints. Nationally publicised issues surrounding the timing of posting a receipt of Postal Ballot Packs saw the Board receiving complaints. Postal Ballot Packs are sent out by Returning Officers, over which the Board have no control. These complaints were unable to be upheld.

There were some instances of complaints relating to poor standard of service provided in relation to the Valuation function of the Board. A number of these were upheld where the length of time taken to see matters dealt with was out with the expectation of the Board and the Assessor. Processes are currently being implemented alongside a new Case Management system which the Board has invested in, which will give staff and managers better oversight of workloads and allow such issues to be spotted sooner.

A complaint was received in relation to conduct of valuation staff who were visiting a property to undertake an inspection. The primary issue was raised about the availability / visibility of formal staff ID. This complaint was upheld at stage 1. As a result of this complaint, and another complaint surrounding identification of staff in the previous financial year, the Board introduced an ID badge policy and procedure last year to mitigate the risk of future reoccurrences.

As well as our annual customer complaints report, quarterly reports are prepared and published on our website. The content and outcome of complaints are discussed at the regular management team meetings and any opportunities for organisational learning are implemented.

Management Commentary

Financial Performance

Comprehensive Income and Expenditure Statement

This account covers the day-to-day operational expenditure of the Board and is shown on page 30 of the Annual Accounts. On an accounting basis the deficit on the provision of service for the financial year reported in the Comprehensive Income and Expenditure Statement is £0.612m. However, this takes account of Statutory Adjustments between the accounting and funding basis of £0.270m, as shown in the Expenditure and Funding Analysis table shown on page 35. Thus, resulting in an in-year deficit of £0.342m as summarised on table below.

	Comprehensive Income & Expenditure Statement £000	Statutory Adjustments £000	Actual £000	Budget £000	Variance £000
Employee Costs	2,673	(269)	2,404	2,599	(195)
Property Costs	178	0	178	153	25
Transport Costs	34	0	34	38	(4)
Supplies & Services	410	0	410	555	(145)
Support Services	0	0	0	0	0
Depreciation, Amortisation & Impairment	142	0	142	134	8
Other Costs:	26	(26)	0	0	
(Pensions/Interest)	15	(15)	0	0	0
Total Expenditure	3,478	(310)	3,168	3,479	(311)
Requisition Income	(2,797)	0	(2,797)	(2,797)	0
Capital Income	(40)	40	0	0	0
Grant Income	(10)	0	(10)	(194)	184
Rental Income	(2)	0	(2)	(2)	0
Interest	(5)	0	(5)	0	(5)
Sales, Fees and Charges	(12)	0	(12)	(9)	(3)
Total Income	(2,866)	40	(2,826)	(3,002)	176
(Surplus)/Deficit for the year	612	(270)	342	477	(135)

Management Commentary

The budget variances are shown below:

Spend Area	Variance	Comments
	£0	
Employee Costs	(195)	The favourable variance is due to vacancies being filled by trainees, replacing previously higher paid qualified staff. Also superannuation costs were lower than anticipated.
Property Costs	25	The adverse variance is due to costs for a new boiler at Campbeltown.
Supplies & Services	(145)	Due to a delay in the procurement process, costs related to the new computer system including annual support licences were lower than budgeted.
Admin Costs	4	The adverse variance is mainly due to Land Valuation Court Appeals, Printing & Postages costs being higher than expected against the budgeted costs.
Income	176	The Board received a grant of £194k from The Scottish Government, DLUH and recognised £10k of income and expenditure in 2024/25, the remaining £184k has been carried forward to 2025/26 financial year. The Board was also in receipt of a higher level of interest income than budgeted.
Total	(135)	

Balance Sheet

The balance sheet shown on page 33, sets out the total worth of the Board at a snapshot in time. When comparing the net worth of the Board at 31 March 2025 to that of the prior year, there is an overall decrease in net worth of £0.298m. This is primarily due to the use of general reserves to fund the in-year deficit.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed in Note 10 on pages 41 to 46. The 2024/25 net asset arising from the Board's involvement in the defined pension scheme (excluding unfunded obligations) totals £12.490m, an increase of £2.871m from the 2023/24 net asset of £9.619m. However, the accounting requirements of IFRIC 14 places a cap (referred to as an "asset ceiling") on the value of a pension asset that can be reported, in order to limit the recognition of a pension asset to the extent to which the Board can recover the benefits through either refunds or reduced contributions. As the Board is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions compared to the forecast future service costs. This has limited the recognition of the Board's pension asset to nil. The net liability shown within the balance sheet (page 33), represents the value of unfunded obligations of £0.154m.

The appointed actuaries remain of the view that the asset holdings of Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and income to meet future pension liabilities.

Management Commentary

It is considered appropriate that the Annual Accounts should follow a 'going concern' basis of accounting. Statutory arrangements with the constituent local authorities mean that the financial position of the Board remains assured.

General Reserves

At their Board meeting on the 16 November 2012, the Board approved a Balance and Reserves Policy. The Board's Prudential Reserves Policy is to retain a prudential target of 2% of net expenditure (2024/25 £0.063m) or £0.100m, whichever is higher.

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

As at 31 March 2025 the Board held total usable reserves of £0.340m (of which £0.048m relates to unapplied capital reserves, with the remaining balance comprising revenue reserves of £0.292m).

Furthermore, the Board carried forward a sum of £0.184m as an earmarked reserve, representing an unspent grant awarded by the Scottish Government through DLUH.

The board has identified £0.412m to balance the 2025/26 budget. With free reserves of £0.045m a further £0.367m will be required, highlighting the financial challenge ahead. The Board will continue to work to rebuild reserves position and are committed to seek efficiencies where possible.

The level of requisition made by the Board for 2024/25 remained unchanged from 2023/24. However, in 2024/25 the board received £0.186m in Barclay Funding (£0.0181m 2023/24). Capital requisition of £0.040m in 2024/25 (2023/24 £0.009m).

Provisions and Contingencies

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

Group Annual Accounts

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

Risk Management

Risk Registers and the resultant Action Plan are revised annually. Inclusions in the Board (Strategic)

Risk Register at the 2024 review were:

- The potential for the Board or its statutory officials to fail to meet their respective statutory duties, particularly with so much ongoing legislative change in the NDR and ER functions.
- Current and expected future local government settlements, with static or reduced funding, bring a number of related financial risks and/or risk of failure to meet statutory duties, particularly in light of the changes to NDR and the likely long term effects on public sector funding caused by the COVID outbreak.
- The potential failure to deliver a successful and accurate Revaluation in 2026 and/or implement the changes introduced by the Non-Domestic Rating (NDR) Reform Act.

Management Commentary

- The dependency of the Board on ICT for delivery of its statutory functions and service delivery, including the risk of loss of data from these systems.
- The combined effect of the pandemic and tranches of material change of circumstance appeals submitted in March 2020 and March 2021, which must be disposed of by 31 December 2024, have resulted in a build-up of both NDR and Council Tax appeal workload
- The potential for the Joint Board to fail to meet its duties or to maintain service levels in light of the loss and absence of staff, and associated recruitment difficulties in attracting experienced chartered surveyors.

As well as the Board Risk Register, which focusses on strategic risks, the Management Team annually review an Operational Risk Register and a number of other project or task specific risk registers.

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

3.3 EQUALITIES

The Board's stated Equality 'Outcomes' are:

- To create an equal, diverse and inclusive workplace, by supporting and promoting fairness and equality via our:
 - Extensive range of family friendly personnel policies
 - Recruitment and Selection policy and practice
 - Our Dignity at work principles
 - Our policies to ensure the safe and fair treatment of all employees
 - Training and Development processes
 - Equal Pay and Benefits
 - Leadership and staff communications
- The Board will continue to invest in our workforce for the future, ensuring equality of opportunity for all posts (including, but not limited to trainee posts).
- To continue to identify any instances of discrimination or inequality in service provision, by regular monitoring of customer satisfaction responses, which include optional equalities data to be submitted along with comments.

Analysis of our staff survey, and customer satisfaction surveys throughout the year have indicated no equality issues.

The Specific Duties under the Equality Act required the Valuation Joint Board to prepare and publish a mainstreaming report by 30th April 2013 and thereafter every two years. This report is to identify the progress that the Board has made to make the equality duty integral to the exercise of its functions. The Board produced its report in 2025.

3.4 STAFFING MATTERS

Development and Training

During the year, the Board supported 11 of our staff who are undertaking various courses in education which will see them gain a relevant technical or professional qualification relevant to their role. With this figure being over 20% of our workforce, this remains a significant commitment from the organisation to ensuring the continued availability of qualified and experienced staff for the future.

Annual Performance and Development Reviews continue to be carried out for all staff, with resultant training needs being identified and provided where possible

Management Commentary

Workforce Planning/Staffing

Turnover of staff during 2024/25 has reduced to more manageable levels, with resignations/retirements taking place throughout the year.

Extreme difficulties remain in attracting qualified surveyors to fill our valuer posts, with 90% of such posts occupied by a trainee.

3.5 FREEDOM OF INFORMATION

A 'business as usual' approach has been taken to the majority of requests for information received, but within the year, fifteen requests which specifically referred to the Freedom of Information Act were received. This number was the same as the previous year.

There were no recurring requests that could be satisfied by proactive publication of any particular information.

3.6 RECORDS MANAGEMENT

An invitation to make a submission to the Keeper of the Records under the Progress Update Review process by May 2024 was taken up, with an update being provided to the keeper.

The follow up report from the Assessment Team who evaluated the submission reported that they consider that Dunbartonshire and Argyll and Bute Valuation Joint Board continue to take their statutory obligations seriously and are working hard to bring all elements of their Records Management Plan into full compliance with the Act.

In a change to practice, the Keeper of Records will now only be inviting authorities to provide an update every two years.

3.7 PARTNERSHIPS

The Board is actively involved in several partnerships with one of the most significant of these being the senior staff's membership of the Scottish Assessors' Association. More on the association can be found at <https://www.saa.gov.uk/about-the-saa/>.

Board staff are represented in the Association in all of its Category Committees, in working groups and as authors of Practice Notes. The co-operation and co-ordination of the Association is of critical importance in the completion, and defence of Revaluations.

During 2024/25, the Association was active as a consultative body in relation to secondary legislation arising from the 2020 Non-Domestic Rating (Scotland) Act. The SAA has established a project plan for delivering the 2026 Revaluation, NDR reforms and other Barclay requirements.

The planning for, and provision of, Electoral Registration services is assisted by guidance received from the Electoral Commission and the Electoral Management Board for Scotland and by representation within the Association of Electoral Administrators. The Ministry for Housing, Communities and Local Government is an important stakeholder in respect of the modernisation of Electoral Registration services.

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

Management Commentary

3.8 CONCLUSION

During the year, the Board agreed its Service Plan, covering 2024-2027, detailing what the service will deliver over the period. The Workforce Plan, which is now updated regularly and reported to the Board twice a year, reflects the staffing resource required to deliver the plan. This, along with detailed financial planning is used to form the Board's 10 year Financial Strategy.

The Board updated its Standing Orders in year and introduced four new policies. As a direct result of feedback from our stakeholders, the Board introduced a new Key Performance Indicator for monitoring progress of the Sold House Process, an identified backlog of which had resulted in a number of legitimate complaints being made.

Having delivered the 2023 Revaluation of all non-domestic properties, including entering many subjects within public parks which had previously been excluded from entry by legislation, focus shifted to dealing with the Proposals received, challenging some entries in the Roll.

Alongside this, the annual audit of self-catering properties continues, with forms now being sent to all occupiers to collect data to establish if the properties satisfied the requirement to be in the Valuation Roll for each financial year. Where they do not, they are removed from Valuation Rolls and placed in the Council Tax List.

A number of appeals in relation to Council Tax and Non Domestic have been listed for hearing by the LTC during the year. This begins a process of preparing case papers and submissions, with valuers employed by the Joint Board giving expert evidence on valuation to the Tribunal. This is a significant workload for our very few remaining chartered surveyors.

Following savings delivered in a restructure of the Valuation teams, some of the savings were used to fund a replacement Assessors system. Work has proceeded to prepare our data for the new system, for use from the 2025/26 financial year onwards.

The project to digitise the organisation's circa 150,000 council tax property files continued, with temporary staff able to be retained for the year to assist with the delivery of this. By the end of March, almost 106,776 files had been scanned.

The discovery of RAAC in the roof of the Board's main office building in Clydebank was a set back for the team, requiring a large amount of additional and unplanned resource to deliver a change in the occupancy of the building, along with management policies for the short-term continued use of the building.

In addition to the above, the Management Team met on a quarterly basis, and during the year completed projects on Service Planning, Risk Management, Customer Satisfaction, Performance Reporting, Workforce Planning, Equalities Reporting, Corporate Governance Self-Assessment and Budget Planning, with the resultant actions from all of these processes reviewed and updated on a weekly basis.

Management Commentary

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

Councillor Vaughan Moody
Convenor of the Board

Date: 20 June 2025

Russell Hewton
Assessor & Electoral
Registration Officer

Date: 20 June 2025

Laurence Slavin
Treasurer

Date: 20 June 2025

Remuneration Report

REMUNERATION REPORT

Introduction

The remuneration report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014. These Regulations require various disclosures about the remuneration and pension benefits of the Board and senior employees. All information disclosed in the tables 1-4 of the Remuneration Report will be audited by Forvis Mazars. The other sections have also been reviewed by Forvis Mazars to ensure that they are consistent with the Financial Statements.

Arrangements for Remuneration

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

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

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

Remuneration

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

Table 1: Remuneration of Senior Employees *

Name	Position at 31/03/24	24/25	23/24
		Total Remuneration £000	Total Remuneration £000
Russell Hewton	Assessor & ERO	120	117
Kevin Kelly	Depute Assessor & ERO (Sept 2024 to March 2024).	89 (FYE 102)	0
Darryl Rae	Depute Assessor & ERO (April 2024 to Sept. 2024).	42 (FYE 100)	96

Remuneration Report

***The term *senior employee* means any Board employee:**

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

Remuneration of Employees receiving more than £50,000

The Board's employees receiving more than £50,000 remuneration for the year were paid the amounts set in Table 2. In accordance with the disclosure requirement of the Regulations, the information in the table shows the number of employees in bands of £5,000. This information includes the senior employees who are subject to the fuller disclosure requirements set out in Table 1.

Table 2: Remuneration

Bands £	Number of Employees	
	2023/24	2024/25
50,000 to 54,999	2	2
55,000 to 59,999	0	2
60,000 to 64,999	1	0
65,000 to 69,999	1	2
70,000 to 74,999	1	1
85,000 to 89,999	0	1
95,000 to 99,999	1	0
115,000 to 119,999	1	1
Total	7	9

Pension Benefits

For local government employees, the LGPS 2015 is a career average pension scheme. This means that pension benefits from 01/04/2015 are based on pensionable pay with inflation added.

Pension is accrued at a rate of 1/49 of pensionable pay for each scheme year. Pension benefits can be accessed from age 55 but are reduced for retirements prior to 60th birthday. Pension benefits accrued before 1 April 2015 are protected and are based on final pay on retiring.

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

Remuneration Report

Table 3: Contribution Rate

The tiers and members contributions rates for 2024/25 whole time pay	Contribution Rate 2024/25
On earnings up to and including £27,000	5.50%
On earnings above £27,001 and up to £33,000	7.25%
On earnings above £33,001 and up to £45,300	8.50%
On earnings above £45,301 and up to £60,400	9.50%
On earnings of £60,401 and above	12.00%

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

Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. Retirement can be taken with receipt of benefits in full from the normal pension age. The normal pension age is 65 for any benefits built up before 1 April 2015. For pension build up from 1 April 2015, the Normal Pension Age is not fixed at age 65 but, instead, is the same as the State Pension Age (but with a minimum of age 65).

Pension Benefits of Senior Employees

Table 4: In-year contributions and accrued benefits

Name	Position at 31/3/2025	In-Year Pension Contributions		Accrued Pension Benefits	
					Difference
		For Year to 31 March 2025	For Year to 31 March 2024	As at 31 March 2025	from 31 March 2024
Senior Employees		£	£	£	£
Russell Hewton	Assessor & ERO	4,047	23,663	25	23,655
Kevin Kelly	Depute Assessor & ERO (Sept. 2024 to March 2025)	2,230	0	0	0
Darryl Rae	Depute Assessor & ERO (April 2024 to Sept. 2024)	1,416	19,467	0	0

Remuneration Report

The pension figures shown in Table 4 relates to the benefits that the person has accrued as consequence of their total 'local government' service, and not just their current appointment.

The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 make provision for authorities to make discretionary payments to local government employees to pay compensation for premature retirement. There were no discretionary payments made to senior employees during the year.

Exit Packages

There were no exit packages during financial years 2024/25 and 2023/24.

Trade Union Facility Time

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

Details of the Facility Time within the Board during the year to 31 March 2025 are shown in Table 5.

Table 5: Trade Union

Trade Union Officials	Trade Union Representatives
0	1
Percentage of Time Spent on Facility Time	
Percentage	Employees
<1%	1
Total cost of facility time	
£0	£2.4m
% of Pay Bill Spend on Facility Time	
£0	£0
Paid TU Activities	
£0	£0

Councillor Vaughan Moody
Convenor of the Board
Date: 20 June 2025

Russell Hewton
Assessor and Electoral Registration Officer
Date: 20 June 2025

Statement of Responsibilities

The Boards Responsibilities:

The Board is required to:

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

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

Councillor Vaughan Moody
Convenor of the Board
Date: 20 June 2025

The Treasurer's Responsibilities:

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the Financial Statements give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2025.

Laurence Slavin
Treasurer
Date: 20 June 2025

Annual Governance Statement

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

Scope of Responsibility

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

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

Governance Framework

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

The above code explains how the Board aims to deliver good governance and reviews the effectiveness of these arrangements on an annual basis.

Delivering Good Governance in Local Government Framework, published by CIPFA in association with Solace in 2007 and updated in 2016, sets the standard for local authority governance in the UK and applies to annual governance statements prepared for the financial year 2016/17 onwards.

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

In accordance with a Code of Good Governance which was approved by the Board in March 2018, a self-assessment against the above CIPFA framework is completed annually and an Action Plan agreed. The Management Team regularly monitor progress against the actions in the Action Plan. The Local Code of Good Governance and the Action Plan can be found on the Board's website at: <https://www.saa.gov.uk/dab-vjb/best-value/>

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

The 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.

Annual Governance Statement

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

The overall control arrangements include:

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

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

Review of Effectiveness

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

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

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

- the work of managers within both the Board and West Dunbartonshire Council who have responsibility for the development and maintenance of the financial control framework;
- the work undertaken by West Dunbartonshire Council's Internal Auditors during the year to 31 March 2025;
- the assessment of risk completed during reviews of the strategic audit plan;
- reports issued by the Board's External Auditors and other review bodies; and
- knowledge of the Board's governance, risk management and performance monitoring arrangements.

Annual Governance Statement

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

We are satisfied that the Board has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify any areas of weakness and to take appropriate action. This is corroborated by an Annual Assurance Statement prepared by the Shared Services Manager Audit & Fraud, stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system in the year to 31 March 2025.

Annual Performance

Examples of developments which have led to significant improvement in arrangements for control, governance or risk management within the Board during 2024/25 include:

- Introduction of new Key Performance Indicator for Sold House Processes.
- Introduction of a new procedure for the control and management of Board assets.
- Continued development of systems to support the new NDR Proposal Process.
- Reviewed and updated our Code of Corporate Governance.
- A review of the household canvass routes, and canvass planning, to drive efficiencies in the delivery of the annual canvass.
- Rolled out new procedures and training for staff involved in the Sold House Process.
- Put in place project plan and risk management surrounding the delivery of a new Assessors core system.
- Put in place project plan and risk management for the delivery of the 2026 Non-Domestic Revaluation.
- Put in place project plan and risk management for the delivery of the 2026 Scottish Parliamentary Election.
- Listened to feedback from our stakeholders, and acted on it on a number of documented occasions.
- Continued disposal of transferred CT appeals and presented cases to the First-tier Tribunal at online hearings under the new rules and procedures.
- Continued disposal of transferred NDR appeals and presented cases to the First-tier Tribunal at online hearings under the new rules and procedures, including meeting the required deadline for disposal of 2017 Roll appeals.
- Commenced the 2023/24 annual Self Catering Audit
- Complete a project to deal with an identified backlog of sold house surveys
- Recognised the extensive loss of experience within in the valuation teams over a short period and took steps to develop the new teams, establishing formal training sessions with the use of our new conferencing facilities across office locations
- Published 2025's Public Sector Equality Duty report
- Completed a Progress Update Review for submission to the Keeper.
- Continued with regular Record Management days across both office locations to ensure full adherence with our business classification and retention schemes
- Carried out our annual good governance self-assessment
- Reviewed a number of process instructions, combining these in to single instructions across our organisation.

Annual Governance Statement

The following areas were identified by the Assessor & ERO for further improvements in 2024/25:

- Continued work on the project to standardise process instructions across offices.
- Identify gaps in process instruction provision and fill those gaps.
- Review of SCU Audit Process to react to feedback received from our stakeholders.
- Further expansion of Non-Domestic Valuations available for public view on the Scottish Assessors Portal.
- Work with other EROs to develop a set of Electoral Registration KPIs
- Review Electoral Participation Strategy in advance of the Scottish Parliamentary Election (SPE).
- Consider reporting requirements for the new Non-Domestic Proposals and Appeals system.
- Re-visit the position with the Board's Prudential Reserve Policy.
- Ensure that CT and NDR Update Reconciliation Processes are available in the replacement Assessors System.
- Review of Survey Workload system to ensure better management oversight of these processes.
- Investigate off the shelf, or possibility of in-house developed software which could improve processes within the organisation.
- Consider and plan for the cliff-edge of Barclay Funding which is due to expire this year.
- Set up a system to ensure induction training is being completed.
- Review performance metrics that will be available as part of the new Assessors system.
- Develop a set of service request expectations to assist stakeholders in understanding potential timescales for enquiries to be dealt with.
- Continued focus will be given to implementing our Records Management plan, with particular focus on compliance with retention policies.

Assurance

On the basis of the assurance provided, we consider the governance and internal control environment operating during 2024/25 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Councillor Vaughan Moody
Convenor of the Board

Date: 20 June 2025

Russell Hewton
Assessor & Electoral Registration
Officer

Date: 20 June 2025

Laurence Slavin
Treasurer

Date: 20 June 2025

Introduction to Annual Accounts

The Annual Accounts comprise the following primary statements:

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

Comprehensive Income and Expenditure Statement

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

Movement in Reserves Statement

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

Balance Sheet

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

Cash Flow Statement

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

Comprehensive Income and Expenditure Statement

2023/24 Net Expenditure £000	Notes	2024/25 Net Expenditure £000
Income		
(9) Customer Receipts		(14)
Expenditure		
2,452 Employee Costs	1	2,673
126 Property Costs		178
41 Transport Costs		34
315 Supplies & Services		410
0 Payment to Other Bodies		0
123 Support Services		142
274 Depreciation, Amortisation & Impairment	1/6	26
3,322 Net Cost of Service		3,449
(2,793) Revenue Contributions	13	(2,797)
(48) Government Grants	5	(10)
(8) Capital Contributions	13	(40)
(2,849) Other Operating Income		(2,847)
473 Net Operating Expenditure		602
(11) Interest Receivable		(5)
Net Interest on the net defined benefit liability/ 7 (asset)	10	15
(4) Finance and Investment Income and Expenditure		10
469 (Surplus)/Deficit on provision of services		612
Remeasurement of the net defined benefit 3 liability/(asset)	10	(314)
(Surplus)/Deficit arising from revaluation of 28 property, plant and equipment		0
31 Other Comprehensive (Income) & Expenditure		(314)
500 Total Comprehensive (Income) & Expenditure		298

Movement in Reserves Statement

	Usable Reserves		Unusable Reserves				Total Reserves £000
	Fund Balance £000	Capital Requisition Unapplied Account £000	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employers Statutory Mitigation Account £000	
<u>2024/25</u>							
Balance at 31 March 2024 Carried Forward	634	45	342	46	(175)	(23)	869
<u>Movement in Reserve 2024/25</u>							
Surplus or (Deficit) on provision of services	(612)	0	0	0	0	0	(612)
Other Comprehensive Income and Expenditure	0	0	0		314	0	314
Total Comprehensive Income & Expenditure	(612)	0	0	0	314	0	(298)
<u>Adjustments between accounting basis & funding basis</u>							
Depreciation	26	0	(26)	0	0	0	0
Pension Scheme Adjustment	293	0	0	0	(293)	0	0
Net Transfer to or from earmarked reserves required by legislation	(9)	0	0	0	0	9	0
Capital requisitions applied to fund capital expenditure	(40)	40	0	0	0	0	0
Capital requisitions unapplied adjustment between accounting basis and funding basis under regulations	0	(37)	37	0	0	0	0
Total Statutory Adjustments	270	3	11	0	(293)	9	0
Increase/Decrease in Year	(342)	3	11	0	21	9	(298)
Balance at 31 March 2025	292	48	353	46	(154)	(14)	571
Total Usable		340		Total Unusable		231	

Movement in Reserves Statement

	Usable Reserves		Unusable Reserves				Total Reserves
	Fund Balance £000	Capital Requisition Unapplied Account £000	Capital Adjustment Account £000	Revaluation Reserve £000	Pension Reserve £000	Employers Statutory Mitigation Account £000	
2023/24							
Balance at 31 March 2023 Carried Forward	831	59	594	74	(170)	(19)	1,369
<u>Movement in Reserve 2023/24</u>							
Surplus or (Deficit) on provision of services	(469)	0	0	0	0	0	(469)
Other Comprehensive Income and Expenditure	0	0	0	(28)	(3)	0	(31)
Total Comprehensive Income & Expenditure	(469)	0	0	(28)	(3)	0	(500)
<u>Adjustments between accounting basis & funding basis</u>							
Depreciation	274	0	(274)	0	0	0	0
Pension Scheme Adjustment	2	0	0	0	(2)	0	0
Net Transfer to or from earmarked reserves required by legislation	4	0	0	0	0	(4)	0
Capital requisitions applied to fund capital expenditure	(8)	8	0	0	0	0	0
Capital requisitions unapplied adjustment between accounting basis and funding basis under regulations	0	(22)	22	0	0	0	0
Total Statutory Adjustments	272	(14)	(252)	0	(2)	(4)	0
Increase/Decrease in Year	(197)	(14)	(252)	(28)	(5)	(4)	(500)
Balance at 31 March 2024	634	45	342	46	(175)	(23)	869
Total Usable		679		Total Unusable		190	

Balance Sheet as at 31 March 2025

31 March 2024		31 March 2025
£000	Note	£000
388 Property, Plant and Equipment	6	399
388 Long Term Assets		399
670 Short Term Debtors	7	3,863
670 Current Assets		3,863
(14) Short Term Creditors	8	(3,537)
(14) Current Liabilities		(3,537)
(175) Net Pensions Asset/(Liability)	10	(154)
(175) Long Term Assets/(Liabilities)		(154)
869 Net Assets/(Liabilities)		571
Represented by:		
679 Usable Reserves	MIR/2	340
190 Unusable Reserves	MIR/3	231
869 Total Reserves		571

The unaudited Financial Statements were issued on 20 June 2025.

Laurence Slavin
Treasurer
20 June 2025

Cash Flow Statement

2023/24 £000	2024/25 £000
Operating Activities	
(2,841) Revenue contributions and grants	(2,807)
(9) Sale of Goods and Rendering of Services	(14)
(2,850) Cash Inflows from Operating Activities	(2,821)
2,444 Cash paid to and on behalf of employees	2,397
403 Other payments for operating activities	432
2,847 Cash Outflows from Operating Activities	2,829
(3) Net Cash Flows from Operating Activities	8
Investing Activities	
22 Purchase of Assets	37
(8) Other receipts from investing activities	(40)
14 Net Cash flows from Investing Activities	(3)
Financing Activities	
(11) Interest Received	(5)
(11) Net cash outflows from Financing Activities	(5)
0 Net (Increase)/Decrease in Cash and Cash Equivalents	0

Notes to the Annual Accounts

Note 1 : Expenditure and Funding Analysis

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

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

The difference between the employee costs figure and the figure reported in the comprehensive income and expenditure statement is due to the accounting adjustments for pensions and holiday pay accrual (other adjustments) as detailed in the table below. These costs are year-end adjustments that are offset by corresponding transfers to the Balance Sheet and the Movement in Reserves Statement.

2024/25	Net Expenditure chargeable to the Board £000	Adjustments for pensions £000	Adjustments for capital £000	Other adjustments £000	Net Expenditure in the Comprehensive Income & Expenditure Statement £000
Employee Costs	2,404	278	0	(9)	2,673
Property Costs	178	0	0	0	178
Supplies & Services	410	0	0	0	410
Support Costs	142	0	0	0	142
Transport Costs	34	0	0	0	34
Payments to other bodies	0	0	0	0	0
Capital Charges	0	0	26	0	26
Other Income	(29)	0	-	0	(29)
Cost of Services	3,139	278	26	(9)	3,434
Other income and expenditure	(2,797)	15	(40)	0	(2,822)
(Surplus) or Deficit on the provision of services	342	293	(14)	(9)	612

Notes to the Annual Accounts

2023/24	Net Expenditure chargeable to the Board £000	Adjustments for pensions £000	Adjustments for capital £000	Other adjustments £000	Net Expenditure in the Comprehensive Income & Expenditure Statement £000
Employee Costs	2,453	(5)	-	4	2,452
Property Costs	126	-	-	-	126
Supplies & Services	315	-	-	-	315
Support Costs	123	-	-	-	123
Transport Costs	41	-	-	-	41
Payments to other bodies	-	-	-	-	-
Capital Charges	-	-	15	-	15
Other Income	(58)	-	-	-	(58)
Cost of Services	3,000	(5)	15	4	3,014
Other income and expenditure	(2,803)	7	(8)	-	(2,804)
(Surplus) or Deficit on the provision of services	197	2	7	4	210

Note 2 : Balances & Reserves

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

	2024/25 £000
Opening Balance at 1 April 2024	632
Revenue Gains/(Losses) on the fund	(340)
Closing Balance at 31 March 2025	292
Earmarked Balances:	
Scottish Government DLUHC Grant c/fwd	(184)
Total Earmarked Balance	(184)
Total General Reserves (inc £0.100m Prudential Reserve)	108

Notes to the Annual Accounts

Note 3 : Unusable Reserves

2023/24 £000	2024/25 £000
342 Capital Adjustment Account	353
46 Revaluation Reserve	46
(175) Pension Reserve	(154)
(23) Employee Statutory Mitigation Account	(14)
190 Total Unusable Reserves	231

Capital Adjustment Account

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

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

Revaluation Reserve

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

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

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

Pension Reserve

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

However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible.

Notes to the Annual Accounts

Employee Statutory Mitigation Account

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

Capital Requisition Unapplied Account

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

Note 4 : Capital Expenditure and Capital Financing

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

2023/24 £000	2024/25 £000
9 Contributions from Authorities	40
59 Unapplied Capital Contributions b/forward	45
68 Total Capital Resources	85
0 Servers	(13)
(8) Scanners, Laptops and Monitors	(6)
(4) Firewall & Routers	(2)
(7) Flexi System	0
(4) NDR reform costs	(6)
0 SWAN 2 Line Renewal	(10)
(23) Total Capital expenditure incurred during the year	(37)
45 Unapplied Capital contributions c/forward	48

Notes to the Annual Accounts

Note 5 : Government Grants

The Board credited the following grants within the Comprehensive Income and Expenditure Statement in 2024/25:

2023/24	2024/25
£000 Grant Income	£000
26 Scottish Parliamentary Election Electoral Integrity Programme (New 22 Burdens)	0 10
48 Total	10

Note 6 : Property, Plant and Equipment

	Land & Building £000	Plant & Equipment £000	Total £000
Movements in costs or values			
31 March 2023	643	198	841
Adjustment to assets with a nil net book value	0	(127)	(127)
Additions	0	23	23
Revaluations	(291)	0	(291)
31 March 2024	352	94	446
Additions	0	37	37
31 March 2025	352	131	453
Movements in depreciation and impairment			
31 March 2023	(9)	(164)	(173)
Depreciation charge	(4)	(11)	(15)
Reversal of depreciation charge on revaluation	4	0	4
Adjustment to assets with a nil net book value	0	126	126
31 March 2024	(9)	(49)	(58)
Depreciation charge	(11)	(15)	(26)
31 March 2025	(20)	(64)	(84)
Net Book Value			
At 31 March 2024	343	45	388
At 31 March 2025	332	67	399

Notes to the Annual Accounts

Revaluations

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

Note 7 : Debtors

2023/24 £000	2024/25 £000
- Central Government Bodies	0
1 Other Entities and Individuals	3,303
669 Other Local Authorities	560
670 Total Debtors	3,863

Note 8 : Creditors

2023/24 £000	2024/25 £000
3 Central Government Bodies	3,491
8 Other Entities and Individuals	32
3 Other Local Authorities	14
14 Total Creditors	3,537

Note 9 : Operating Leases

Board as Lessor

The Board leases out property under operating leases to provide suitable accommodation to Alpha Pets.

The minimum lease payments in future years are:

31 March 2024 £000	31 March 2025 £000
2 Not later than one year	2
3 Later than one year and not later than five years	1
0 Later than five years	0

Board as Lessee

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

Notes to the Annual Accounts

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

31 March 2024 £000	31 March 2025 £000
4 Not later than one year	4
1 Later than one year and not later than five years	0
0 Later than five years	0

The Board reviewed their 2024/25 leases in accordance with IFRS 16 and based on this assessment, it has been determined that the impact of IFRS16 on the financial statements is not material. As a result, the Board has not applied IFRS 16 and will continue to account for leases under its previous accounting policies. The Board will continue to monitor its leases and reassess the materiality of IFRS 16.

Note 10 : Defined Benefit Pension Schemes

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

The Board participates in the Strathclyde Local Government Pension Scheme, which is a defined benefit statutory scheme, operated as Strathclyde Pension Fund, and administered by Glasgow City Council in accordance with the Strathclyde Local Government Pension Scheme (Scotland) Regulations 1998.

This is a funded scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions' liabilities with investment assets.

The employers' contribution rate is set by the Fund actuaries following valuation. The employer contribution rate for 2024/25 is set at 16.5% (2023/24 23.3%). In 2024/25, the Board paid an employer's contribution of £0.67m (2023/24 £0.353m).

In addition, the Board is responsible for all pension payments relating to added years' benefits which it has awarded together with the related increases. Strain on the Fund costs are charged in year for any early retirals. There was no Severance or Strain on the Fund Payments during financial year 2024/25 (2023/24 £0).

The Board fully complies with the international accounting standard (IAS 19) concerning the disclosure of information on pension.

IAS 19 states that although the pension benefits will not be payable until the employee retires; the Board has a commitment to make these payments and must disclose the cost of this in its accounts at the time employees earn their future entitlements.

The Board recognised the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

Notes to the Annual Accounts

However, the charge that the Board is required to make against its budget is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserve statement. The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year.

2023/24 £000	2024/25 £000
Net cost of services	
358 Current service cost	356
0 Past service costs (including curtailments)	0
358	356
Financing and investment income and expenditure	
7 Net interest	15
365 Total post-employment benefit charged to the Surplus or Deficit on the provision of Service	371
(1,339) Expected return on assets	354
0 Actuarial gains and losses arising from changes in demographic assumptions	(33)
(8,817) Actuarial gains and losses arising from changes in financial assumptions	(12,962)
540 Actuarial gains and losses arising from experience assumptions	(163)
9,619 Changes in the effect of the asset ceiling	12,490
0 Other Adjustments	0
3 Total remeasurements recognised in Other Comprehensive Income (OCI)	(314)
Movement in Reserves Statement	
Reversal of net charges made to surplus or deficit for post-employment	
(365) benefits	(371)
Actual amount charged against the General Fund Balance in the year -	
363 employer contributions payable to scheme	0
Reversal of gross charges made to surplus or deficit for post employment	
(2) benefits	67

Notes to the Annual Accounts

The underlying assets and liabilities for retirement benefits attributable to the Board as at 31 March 2025 are as follows:

2023/24 £000	2024/25 £000
28,507 Fair Value of plan assets	28,966
(18,889) Present Value of defined benefit Obligations	(16,476)
9,618 Net (liabilities)/assets in the Strathclyde Pension Fund	12,490
(9,618) Restriction to asset ceiling	0
(175) Present Value of Unfunded Liabilities	(154)
(175) Net Pension Asset/(Liability)	(154)

The total contributions expected to be made by the Board to the Strathclyde Pension Fund in the forthcoming year to 31 March 2026 is £0.123m.

The actual return on assets is based on long term future investment return for each asset class as at the beginning of the period. The actual rate of returns is 3.5% as at 31/03/24, this is a decrease from (9.9%) as at 31/03/24.

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

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

2023/24 £000	2024/25 £000
18,721 Opening balance	19,064
358 Current service cost	356
881 Interest cost	908
113 Contributions by Members	124
0 Actuarial gains/losses – change in demographic assumptions	(33)
(694) Actuarial gains/losses – change in financial assumptions	(2,882)
540 Actuarial gains/losses – other experience	(163)
0 Past service costs/(gains)	0
(10) Estimated unfunded benefits paid	(11)
(797) Estimated benefits paid	(733)
19,112 Closing Balance as at 31 March	16,630

Notes to the Annual Accounts

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

2023/24 £000	2024/25 £000
26,306	28,507
1,338	(354)
0	0
1,241	1,355
113	124
353	67
10	11
0	0
(10)	(11)
(844)	(733)
0	0
28,507 Closing Balance as at 31 March	28,966

* Other adjustment represents the Board's share of the net audit adjustments made to the Strathclyde Pension Fund assets.

The Board's share of the pension funds asset at 31 March 2025 comprised:

2023/24			Asset Category	2024/25		
Quoted prices in Active Markets	Prices not quoted in Active Market	Total		Quoted prices in Active Markets	Prices not quoted in Active Market	Total
£000	£000	£000		£000	£000	£000
5,767	6	5,773	Equity Securities	6,001	19	6,020
-	6,818	6,818	Private Equity		6,695	6,695
-	2,245	2,245	Real Estate		2,185	2,185
117	13,073	13,190	Investment funds and unit trusts	106	13,255	13,361
45	485	530	Cash and Cash Equivalent		705	705
5,929	22,627	28,556	Total	6,107	22,859	28,966

Asset and Liability Matching Strategy (ALM)

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

Notes to the Annual Accounts

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

31 March 2024	31-Mar-25
9.90% Actual rate of return	3.50%
2.80% Inflation/Pension increase Rate	2.80%
3.50% Salary Increase Rate	3.50%
4.80% Discount Rate	5.80%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current Pensioners	20.9 years	22.7 years
Future Pensioners	21.5 years	24.3 years

Sensitivity Analysis

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

Approximate % increase to Employer Liability	Approximate monetary amount £000
2.00%	276
4.00%	665
0.00%	20
2.00%	264

Note 11 : External Audit Costs

In 2024/25 the Board incurred the following fees relating to external audit in respect of external audit services undertaken in accordance with the Code of Audit Practice:

2023/24 £000	2024/25 £000
9 Fees payable for external audit services	10

Note 12 : Contingent Assets & Liabilities

The Board has not identified any Contingent Assets and Liabilities.

Notes to the Annual Accounts

Note 13: Nature and Extent of Risks arising from Financial Instruments

As at 31 March 2025, the Board has debtors of £3.863m and creditors of £3.537m. There is no provision for bad debts. The transactions entered into do not give rise to any market or liquidity risk and credit risk is considered below.

Credit Risk

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

The Board's finances are controlled by West Dunbartonshire Council. This risk is minimized through the Council's Annual Treasury Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. The Annual Treasury Strategy also considers maximum amounts and time limits in respect of each financial institution.

Note 14 : Related Parties

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 transaction between the related parties.

Disclosure of this information allows the 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.

Elected members and senior officers

Members of the Joint Board and senior officers have control over the Board's financial and operating policies. They have the responsibility to adhere to a Code of Conduct, requiring them to declare an interest in matters that directly or indirectly influence, or appear to influence, their judgement or decisions taken during the course of their work. The total senior officers' remuneration allowances paid in 2024/25 is shown in the Remuneration Report on page 20. There is no remuneration paid to elected members by the Board.

Notes to the Annual Accounts

The Board consisted of the following elected members at 31 March 2025:

ARGYLL & BUTE COUNCIL

Councillor Gordon Blair
Councillor Mark Irvine
Councillor Dougle McFadzean
Councillor Iain James MacQuire
Councillor Peter Wallace

EAST DUNBARTONSHIRE COUNCIL

Councillor Vaughan Moody (Convenor)
Councillor Stewart MacDonald
Councillor Jim Gibbons
Councillor Willie Paterson
Councillor Andrew Polson
Councillor Calum Smith

WEST DUNBARTONSHIRE COUNCIL

Councillor John Millar
Councillor Jonathan McColl
Councillor Lawrence O'Neill
Counillor Karen Conaghan
Councillor Grupreet Singh Johal

Elected member interests in related parties

Each member's Register of Interest is available on their respective Council's websites. You can find this within each individual Councillor's details. For each constituent authority, this information can be found on the following web pages:

- Argyll & Bute Council

<https://www.argyll-bute.gov.uk/my-council/councillors-directory>

- East Dunbartonshire Council

<https://www.eastdunbarton.gov.uk/residents/council-democracy/committees-and-councillors/councillors-2022>

- West Dunbartonshire Council

<https://www.west-dunbarton.gov.uk/council/councillors-and-committees/councillor/>

Key Related Parties – Member Authorities

The member authorities of the Board are Argyll & Bute Council, East Dunbartonshire Council and West Dunbartonshire Council. They contributed a total requisition (including both revenue and capital contributions) in the following proportions to enable the Board to carry out its objectives:

2023/24 £000		2024/25 £000
1,253	Argyll & Bute Council	1,268
766	East Dunbartonshire Council	777
782	West Dunbartonshire Council	792
2,801	Total Contributions	2,837

Notes to the Annual Accounts

As approved by the Board on 28 March 2025, 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.

West Dunbartonshire Council is the lead authority of the Board, providing Treasurer and Clerking services, as well as support services, such as HR, Legal and Internal Audit. The Board has a Service Level Agreement with West Dunbartonshire Council and in 2024/25, the Board paid West Dunbartonshire Council £0.142m for support services (£0.123m in 2023/24).

West Dunbartonshire Council also acts as the banker for the Board and all incoming and outgoing transactions are made via the Council's bank accounts. As such, in 2024/25 West Dunbartonshire Council owed the Board £0.560m (£0.669m 2023/24).

There were no further material transactions between the Board and its member authorities.

Other public bodies

Strathclyde Pension Fund is the principal administrators of the post-retirement funds held on behalf of the current and former employees of the Board. Information about transactions during the year and outstanding assets and liabilities in relation to the Board's pension fund can be found in Note 10: Retirement Benefits.

The Board received income from the UK Government Department of Levelling Up, Housing and Communities of £0.194m in relation to implementation of Voter Identification.

Note 15 : Assumptions made about the future

The Financial Statements contain estimated figures that are based on assumptions 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 Board's balance sheet as at 31 March 2025, for which there is a significant risk of material adjustment in the forthcoming financial year are noted below. Examples are provided of each potential uncertainty and the effect it would have within the Financial Statements are also noted.

Notes to the Annual Accounts

These examples provide an understanding of the significance of a small change in the estimation assumption:

Estimation assumptions which impact within the next 12 months:

Item	Uncertainty	Potential Effect
Property, Plant and Equipment - Valuation	The Board's assets are valued on a rolling programme over a maximum of 5 years. The valuation assumptions are ascertained by the professional valuers used by West Dunbartonshire Council as lead authority. The Board commissioned a survey to check for the presence of Reinforced Autoclaved Aerated Concrete (RAAC) in its office building at 235 Dumbarton Road, Clydebank G81 4XJ. A report was received by the Assessor on Monday 3 March 2025, advising of the presence of RAAC planks in the building. A revaluation of the building was undertaken in April 2025. The reduction in value has been reflected in the Financial Statements. The Board's other property was revalued in 21/22 and are considered to be appropriate.	If the actual results differ from the assumptions, the value of the assets could be affected. The current value of the assets subject to revaluation over the rolling programme is £0.352m No revaluations were carried out during 24/25. The impact for each 1% change in these valuations would be £0.003m within the Balance Sheet, resulting in an increase or decrease to the Revaluation Reserve, or an impairment charge, but with no effect on the general reserves. Any change would also impact on the annual depreciation charge.
Property, Plant and Equipment - Depreciation / Useful Lives	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to those assets. The useful lives assigned to assets is deemed to remain valid.	If the useful lives of assets were too high, it is estimated that the annual depreciation charge for buildings would increase by £0.011m for every year that useful lives had to be reduced, resulting in a further charge to that value through the comprehensive income and expenditure statement and the value of the assets held in the Board's Balance Sheet would also be reduced by the same value. Any change would not affect the reserves position of the Board.

Notes to the Annual Accounts

Estimate assumptions which impact longer term are shown within the table below:

Item	Uncertainty	Potential Effect
Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates used, the rate at which salaries are projected to increase by, changes in retirement ages, mortality rates and expected returns on pension assets held. This is further detailed within note 10 of the financial statements. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions applied.	The sensitivities regarding the principal assumptions used by the consulting actuaries to measure the scheme liabilities are set out below: - a 0.1% decrease in the real discount rate would result in a 2% increase (£0.276m) in the employer's obligation. - a one year increase in member life expectancy would result in a 4% increase (£0.665m) in the employer's obligation. - a 0.1% increase in the salary increase rate would result in a 0% increase (£0.020m) in the employer's obligation. - a 0.1% increase in the pension rate would result in a 2% increase (£0.264m) in the employer's obligation.

Note 16 : Accounting Standards Issued not Adopted

For 2024/25, the Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

This applies to the adoption of the following new or amended standards:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023

Overall, these new or amended standards are not expected to have a significant impact on the Annual Accounts in future years.

Notes to the Annual Accounts

Note 17 : Events after the Balance Sheet date

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorized for issue. An adjustment is made to the financial statements where there is evidence that the event relates to the reporting period; otherwise the financial statements are not adjusted. Where the amount is material, a disclosure is made in the notes.

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

Notes to the Annual Accounts

Note 18 - Accounting Policies

A General Principles

The Annual Accounts summarise the Board's transactions for the 2024/25 financial year and its position at the year end of 31 March 2025. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ("the Code") and the Service Reporting Code of Practice, supported by International Financial Reporting Standards (IFRS).

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

B Accruals of Income and Expenditure

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

- Revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and when it is probable that the economic benefits associated with the transaction will flow to the Board;
- Expenses in relation to services received are recorded as expenditure when the services are received, rather than when payment is made;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet based upon materiality;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument, rather than on cash flows

fixed or determined by the contract; and

- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and charged to revenue for the income that might not be collected.

C Changes in Accounting policies, Estimates and Errors

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

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

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

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

D Charges to Revenue for non-current assets

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

- Depreciation, attributable to the assets used by the Board;

Notes to the Annual Accounts

- Revaluation and impairment losses, where there is no accumulated gain in the Revaluation Reserve; and
- Amortisation of intangible fixed assets.

E Intangible assets

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

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

Where an intangible asset has a finite useful life, the depreciable amount of an intangible asset is depreciated over its useful life in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired any losses recognised are posted in the Comprehensive Income and Expenditure Statement.

Any gain or loss arising on the disposal or abandonment of an intangible asset is recognised in the Surplus or Deficit on the Provision of Services when the asset is derecognised.

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

Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserves.

F Property, Plant and Equipment

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

Recognition

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

Measurement

Initially measured at cost, comprising of:

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

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

The acquired item is measured at the carrying amount of the asset given up if it is not measured at current value.

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

- Other buildings – current value. Where there is no market based evidence of current value because of the specialised nature of the asset and the asset is rarely sold, depreciated replacement cost is used as an estimate of current value; and

Notes to the Annual Accounts

- Plant and equipment and other non -property assets – current value. Where assets in this class have either short useful lives or low values (or both), depreciated historical cost is considered to be a proxy for current value where the useful life is a realistic reflection of the life of the asset and the depreciation method provides a realistic reflection of the consumption of the asset class.

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

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

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

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

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

Impairment

Assets are assessed at the end of each financial year for evidence in impairment or a reduction in value.

Where indications exist and any possible differences are estimated to be material, the recoverable amount on the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

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

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

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

Depreciation

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

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

Asset Type	Estimated Useful Life	Method
Other Building*	20-60 years	Straight Line
Vehicles, Plant & Equipment	5-10 years	Straight Line
Intangibles	5-10 years	Straight Line

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

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

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

Notes to the Annual Accounts

Revaluation Reserve to the Capital Adjustment Account.

G Employee Benefits

Benefits payable during employment

Short term employee benefits (i.e., fall due within 12 months of the year-end), such as wages and salaries, paid leave, paid sick leave, bonuses and non-monetary benefits for current employees are recognised as an expense in the year in which the employees render service to the Board.

An accrual is made against the services in the Surplus or Deficit on the Provision of Service for the costs of holiday entitlement and other forms of leave earned by the employee but not taken before the year end and which employees can carry forward into the next financial year.

Any accrual made in relation to holiday pay only, is required under statute to be reversed out of the General Fund balance by a credit to the Employee Statutory Mitigation Account in the Movement in Reserves Statement.

Termination Benefits

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

Where termination benefits involve the enhancement of pensions, they are treated as pension costs for the purpose of the statutory transfer between the Pension Reserve and the

General Fund of the amount by which the pension costs calculated in accordance with the Code are different from the contributions due under the pension scheme regulations. In the Movement in

Reserves Statement appropriations are required

to and from the Pension Reserve to remove notional debits and credits for termination benefits

related to pension's enhancements and replace them with the cost of the cash paid, including any amounts due and not paid at the year end.

Post-Employment Benefits

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

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

- The liabilities of the pension fund attributable to the Board are included within the Balance Sheet on an actuarial basis using the projected unit method (i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based upon assumptions about mortality rates, employee turnover rates and projection of earnings for current employees).
 - Liabilities are discounted to their value at current prices using a discount rate of 4.75% (based upon
 - the indicative return rate on long dated high quality corporate bonds);
 - All assets are at bid value and are split into Quoted Prices in Active Markets and Prices not quoted in Active Markets, they are now shown in the notes
 - in more detail; and
 - Split by Equity Securities, Debt Securities, Private Equity, Real Estate, Investment Funds, Derivatives, Cash.
 - The change in the net pensions asset / liability is analysed into six components:
1. Current service cost – the increase in liabilities as result of years of service earned this year –

Notes to the Annual Accounts

allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked;

2. Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
3. Net Interest expenses – the expected increase in the present value of liabilities during the year as they move one year closer, less the fair value of plan assets debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
4. Gains/losses on settlements and curtailments – the result of actions to relieve the Board of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
5. Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve; and
6. Contributions paid to the local government pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Fund to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated in accordance to the relevant accounting standards. In the Movement in

Reserves Statement this means that there are appropriations to and from the Pension Reserve to remove any notional debits and credits for

retirement benefits and replace them with the cash paid or payable at the year end, to the pension fund and pensioners.

Discretionary Benefits

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

H Events after the reporting period

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

Those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect this; and
Those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect this.

However, if the event is material, a disclosure is made within the notes of the nature and financial effect.

I Operating Leases

Board as Lessee

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

Board as Lessor

Where the Board grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of

Notes to the Annual Accounts

the lease, even if it does not match the pattern of payment.

J Provisions

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

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

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

K Contingent Liabilities

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

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

L Contingent Assets

A contingent asset arises where an event has taken place that gives the Board a possible asset whose existence will only be confirmed by the

occurrence or otherwise of uncertain future events not wholly within the control of the Board.

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

M VAT

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

N Reserves

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

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