

GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE

To: Joint Committee

On: 26 September 2023

Report by: Treasurer

Heading: Audited Annual Accounts 2022/23

1. Summary

- 1.1 The unaudited Annual Accounts for 2022/23 were presented to the Joint Committee on 12 June 2023 and submitted for audit by the statutory deadline of 30 June 2023.
 - 1.2 The Local Authority Accounts (Scotland) Regulations 2014 require the audited accounts to be approved for signature no later than 30 September each year.
 - 1.3 Section 10 of the 2014 regulations requires the Joint Committee to consider any report made by the appointed auditor before deciding whether to sign the audited accounts. The findings of the appointed auditor, Azets, are presented in the Annual Audit Report, which can be found at Appendix 1.
 - 1.4 There are audit adjustments relating to a misstatement of interest receivable, now reclassified as Other Income; and an adjustment to pension figures, following receipt of revised actuarial reports and the calculation of the pension asset ceiling.
 - 1.5 Following approval, the audited accounts will be submitted to the Convener, Treasurer and the Head of Economy and Development for secure digital signature.
-

2. Recommendations

- 2.1 It is recommended that members:
 - (a) Note the findings of the 2022/23 audit as contained in the Annual Audit Report (Appendix 1); and
 - (b) Approve the 2022/23 Audited Annual Accounts (Appendix 2) for signature.



**Glasgow and the Clyde Valley Strategic
Development Planning Authority**

**2022/23 Annual Audit Report to the Joint
Committee and the Controller of Audit**

September 2023



Table of Contents

Key messages	3
Introduction	6
Annual accounts audit	8
Wider Scope	20
Appendices	24

Key messages

This report concludes our audit of Glasgow and Clyde Valley Strategic Development Planning Authority (“Clydeplan”) for the year ended 31 March 2023. This section summarises the key findings and conclusions from our audit.

Financial statements audit

Audit opinion	<p>Clydeplan’s annual accounts for the year ended 31 March 2023 are due to be considered by the Joint Committee on 26 September 2023 and approved by upon completion of the audit.</p> <p>We anticipate our independent auditor’s report to be unqualified.</p>
Key audit findings	<p>Clydeplan had appropriate administrative processes in place to prepare the annual accounts and the supporting working papers. We have obtained adequate evidence in relation to the key audit risks identified in our audit plan.</p> <p>The accounting policies used to prepare the financial statements are considered appropriate. We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements. All material disclosures required by relevant legislation and applicable accounting standards have been made appropriately. This is subject to the completion of the final audit senior management review.</p>
Audit adjustments	<p>Clydeplan has updated the financial statements for all the potential audit adjustments identified during the audit process.</p> <p>We also identified some disclosure and presentational adjustments during our audit. As part of our completion procedures, we will confirm these have been reflected in the final set of financial statements.</p>

Accounting systems and internal controls

We have applied a risk-based methodology to the audit. This approach requires us to document, evaluate and assess Clydeplan's processes and internal controls relating to the financial reporting process.

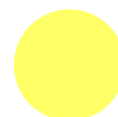
Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we include these in this report. We consider the control environment within Clydeplan to be satisfactory.

Wider scope and Best Value audit

Financial Sustainability

Financial sustainability looks forward to the medium and longer term to consider whether Clydeplan is planning effectively to continue to deliver its services.

Auditor judgement



Clydeplan's revised revenue budget for 2023/24 and indicative budget estimates for the subsequent two years (to 2025/26) shows an overall deficit position for the full three years, utilising uncommitted reserves to cover the deficits.

Requisition Income is proposed at £67,500 per member. This maintains the gross requisition at 2022/23 levels, with a requisition discount of £39,500 applied, in recognition of the high level of uncommitted reserves. This proposal represents a 1.3% reduction in the net requisition for 2023/24.

Clydeplan's financial plans are subject to ongoing review and development. The application of reserves to support service delivery offers a potential short-term solution for existing funding gap. However, it does not achieve a sustainable financial plan to address the potential future funding gaps from 2026/27.

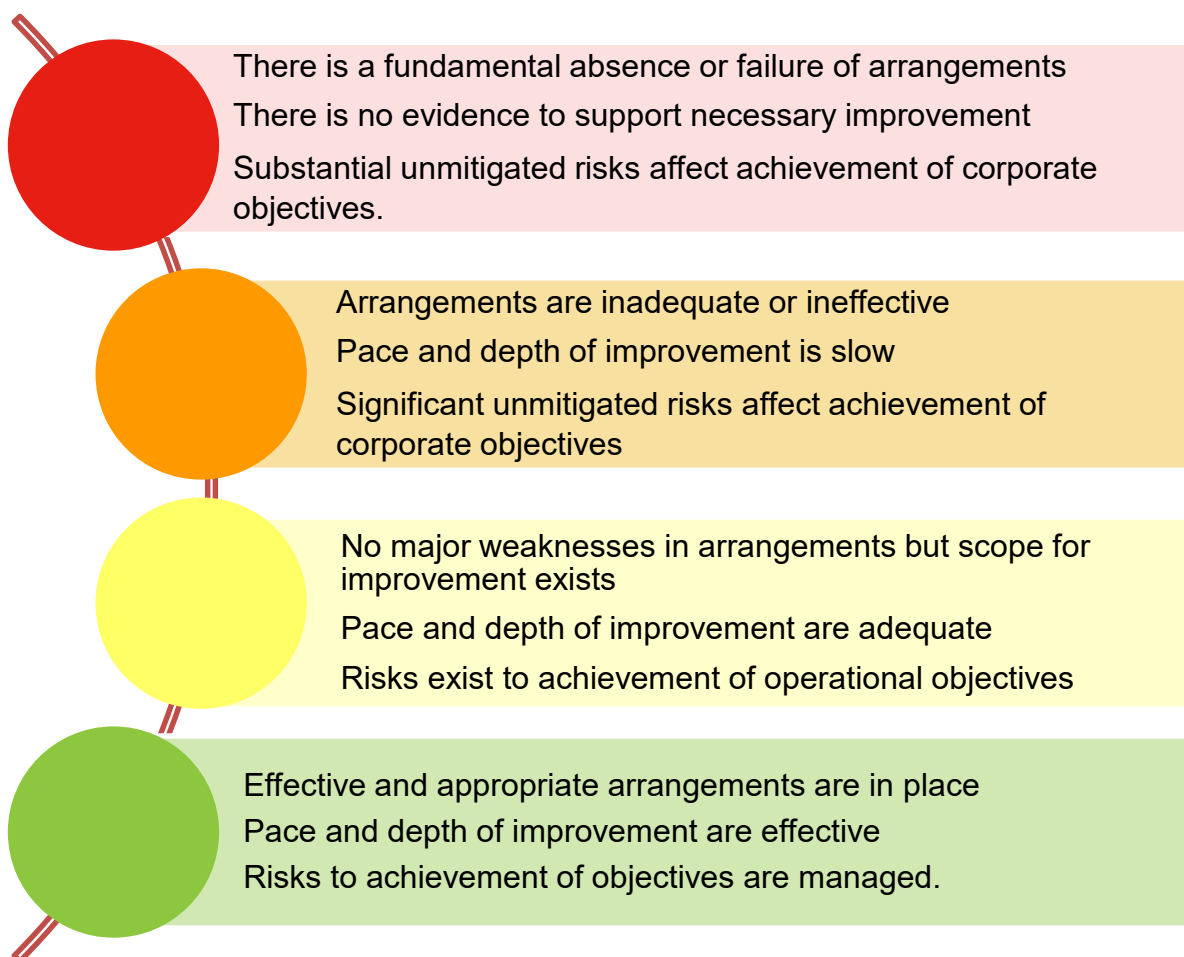
Due to the current financial climate, operational costs will remain under review and any savings that may arise will be taken to the Joint Committee for consideration. The level of reserves will also remain under review and any changes to the proposed use of reserves will be reported as appropriate to the Joint Committee.

Annual Governance Statement

We are content that the Annual Governance statement reflects the position within Clydeplan and overall, we found the organisation to have appropriate governance arrangements. Our audit has not identified any issues or non-compliance from the work performed on the Annual Governance Statement.

Definition

We use the following gradings to provide an overall assessment of the arrangements in place as they relate to the wider scope and best value areas. The text provides a guide to the key criteria we use in the assessment, although not all of the criteria may exist in every case.



Introduction

The annual audit comprises the audit of the financial statements and the wider-scope and Best Value audit responsibilities set out in the Code of Audit Practice.

We outlined the scope of our audit in our External Audit Plan, which we presented to the Joint Committee at the outset of our audit. We have not made any subsequent changes to the risks outlined in that plan.

Responsibilities

Clydeplan is responsible for preparing its annual accounts, including financial statements which show a true and fair view, and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on, the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to thank all management and staff for their co-operation and assistance during our audit.

Auditor independence

International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we complied with the Financial Reporting Council's (FRC) Ethical Standard. In our professional judgement, we remained independent, and our objectivity has not been compromised in any way.

We set out in Appendix 1 our assessment and confirmation of independence.

Adding value

All our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We add value by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to promote improved standards of governance, better management and decision making and more effective use of public money.

Any comments you may have on the service we provide would be greatly appreciated. Comments can be reported directly to any member of your audit team.

Openness and transparency

This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Annual accounts audit

Clydeplan's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Our audit opinion

Opinion	Basis for opinion	Conclusions
Financial statements	<p>We conduct our audit in accordance with applicable law and International Standards on Auditing.</p> <p>Our findings / conclusions to inform our opinion are set out in this section of our annual report.</p>	<p>The draft financial statements, management commentary, remuneration report and annual governance statement were considered by the Joint Committee and approved on 12 June 2023.</p> <p>We expect to issue an unqualified audit opinion on the annual accounts subject to completion of final checks on potential post-balance sheet events.</p> <p>We identified a small number of non-trivial errors during our audit of the financial statements, as set out in Appendix 2. Management agreed to amend the draft financial statements for the errors identified.</p> <p>We received the draft annual accounts and supporting papers in line with our audit timetable and those draft accounts were of good quality. Further information and revisions were provided promptly where required. Our thanks go to the Finance team for their assistance with our work.</p>

Opinion	Basis for opinion	Conclusions
Going concern basis of accounting	<p>In the public sector, when assessing whether the going concern basis of accounting is appropriate, the anticipated provision of services is more relevant to the assessment than the continued existence of a particular public body.</p> <p>We assess whether there are plans to discontinue Clydeplan's functions.</p> <p>Our wider scope audit work considers the financial sustainability of Clydeplan.</p>	<p>Our understanding of the legislative framework and activities undertaken by Clydeplan provides us with sufficient assurance that the Joint Committee will continue to operate for at least 12 months from the signing date.</p> <p>Our audit opinion is unqualified in this respect.</p>
<p>Opinions prescribed by the Accounts Commission:</p> <ul style="list-style-type: none"> Management Commentary Corporate Governance Statement Remuneration Report 	<p>We plan and perform audit procedures to gain assurance that the management commentary, corporate governance statement and the audited part of the remuneration report are prepared in accordance with:</p> <ul style="list-style-type: none"> statutory guidance issued under the Local Government in Scotland Act 2003 (management Commentary); the Delivering Good Governance in Local Government: Framework (corporate governance statement); and The Local Authority Accounts (Scotland) Regulations 2014 (remuneration report) 	<p>We have concluded that:</p> <ul style="list-style-type: none"> the information given in the management commentary is consistent with the financial statements and has been prepared in accordance with relevant statutory guidance. the information given in the corporate governance statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework. the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Opinion	Basis for opinion	Conclusions
Matters reported by exception	<p>We are required to report on whether:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept; or the financial statements and the audited part of the remuneration report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit. 	We have no matters to report.

An overview of the scope of our audit

The scope of our audit was detailed in our External Audit Plan, which was presented to the Joint Committee in March 2023. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to Clydeplan. This ensures that our audit focuses on the areas of highest risk (the significant risk areas). Planning is a continuous process, and our audit plan is subject to review during the course of the audit to take account of developments that arise.

At the planning stage, we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.

In our audit, we test and examine information using sampling and other audit techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through performing a review of the significant accounting systems, substantive procedures and detailed analytical procedures.

Significant risk areas and key audit matters

Significant risks are defined by auditing standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. Audit procedures were designed to mitigate these risks.

As required by the Code of Audit Practice and the planning guidance issued by Audit Scotland, we consider the significant risks for the audit that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team (the 'Key Audit Matters'), as detailed in the tables below.

Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures.

Our anticipated opinion on the annual accounts is not modified with respect to any of the risks described below.

Significant risks at the financial statement level

These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Management override of controls

Significant risk description

Management of any entity is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Although the level of risk will vary from entity to entity, this risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk on all audits.

This was considered to be a significant risk and Key Audit Matter for the audit.

Inherent risk of material misstatement: Very High

Management override of controls

How the scope of our audit responded to the significant risk

Key judgement

There is the potential for management to use their judgement to influence the financial statements as well as the potential to override controls for specific transactions.

Audit procedures

- Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals.
- Analysing the journals listing and determining criteria for selecting high risk and / or unusual journals.
- Testing high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for appropriateness, corroboration and appropriate approval in line with Clydeplan's journals policy.
- Gaining an understanding of the accounting estimates and critical judgements made by management. We challenged key assumptions and considered the reasonableness and indicators of management bias which could result in material misstatement due to fraud.
- Evaluating the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Key observations

Our work in this area is complete and is under senior management review. However, to date, we have not identified any indication of management override of controls from our audit work. We did not identify any areas of bias in key judgements made by management. Key judgements were consistent with prior years.

Significant risks at the assertion level for classes of transaction, account balances and disclosures

Key risk area	
Fraud in revenue recognition	
Significant risk description	<p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed inherent risk on every audit unless it can be rebutted.</p> <p>The presumption is that Clydeplan could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported financial position.</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end. However, we do not deem this risk to be present in requisitions received from the constituent local authorities due to a lack of incentive and opportunity to manipulate transactions.</p> <p>This was considered to be a significant risk and Key Audit Matter for the audit.</p> <p>Inherent risk of material misstatement: Revenue (occurrence / completeness): High</p>
How the scope of our audit responded to the significant risk	<p>Key judgements</p> <p>Given the financial pressures facing the public sector, there is an inherent fraud risk associated with the recording of income around the year end.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> Evaluating the significant income streams and reviewing the controls in place over accounting for revenue. Considering key areas of income and obtaining evidence that income is recorded in line with appropriate accounting policies and the policies have been consistently applied during the year.
Key observations	<p>Our work in this area is complete and is under senior management review. To date, we have not identified any issues.</p>

Key risk area

Fraud in non-pay expenditure

Significant risk description

As most public sector bodies are net expenditure bodies, the risk of fraud is also present in relation to expenditure. There is a risk that expenditure may be materially misstated in the financial statements.

This was considered to be a significant risk and Key Audit Matter for the audit.

Inherent risk of material misstatement:

- Non-pay expenditure (occurrence / completeness): High
- Accruals (existence / completeness): High

How the scope of our audit responded to the significant risk

Key judgements

Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of accruals and expenditure around the year end.

Audit procedures

- Evaluating the significant non-pay expenditure streams and the design of the key controls in place over accounting for expenditure.
- Considering key areas of expenditure and obtaining evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been consistently applied during the year.
- Testing accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.

Key observations

Our work in this area is complete and is under senior management review. To date, we have not identified any issues.

Valuation of defined benefit pension asset (key accounting estimate)

Significant risk description

An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under IAS 19 and on a

Key risk area

triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. There is a risk that the assumptions used are not appropriate.

Inherent risk of material misstatement: Defined benefit pension asset (valuation): High

How the scope of our audit responded to the significant risk

Key judgements

A significant level of estimation is required in order to determine the valuation of pension assets/liabilities. Small changes in the key assumptions (including discount rates, inflation and mortality rates) can have a material impact on the pension asset/liability.

Audit procedures

- Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to their actuarial experts and the scope of their work.
- Evaluating the competence, capabilities and objectivity of management's actuarial expert.
- Considering the basis on which the valuation was carried out and challenging the key assumptions applied.
- Evaluating the information provided to the actuary for the purposes of their calculation of the IAS 19 estimate to ensure it was complete and consistent with our understanding.
- Ensuring pension valuation movements made during the year were input correctly into the general ledger and financial statements and that the accounting treatment applied was in line with the financial reporting framework.

Key observations

Our work in this area is complete and is under senior management review. In accordance with the guidance

Key risk area

issued on the recognition of the Pension Assets, an adjustment has been identified as detailed in Appendix 2.

Estimates and judgements

We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements.

As part of the planning and fieldwork stages of the audit we identified all accounting estimates made by management and determined which of those were key to the overall financial statements. Consideration was given to pension assumptions, income and expenditure accruals, depreciation, amortisation and leases. Other than pension assumptions, we have not determined the accounting estimates to be significant. We revisited our assessment during the fieldwork and completion stages of our audit and concluded that our assessment remained appropriate.

Our audit work consisted of reviewing these key areas for any indication of bias and assessing whether the judgements used by management are reasonable. We have summarised our assessment of this below, categorised between Prudent, Balanced and Optimistic.

Estimates and judgements

Pensions Assumptions

Auditor judgement: Balanced

An actuarial estimate of the pension fund asset is calculated on an annual basis and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. We have considered the competence, capability and objectivity of the actuary in line with the requirements of ISA (UK) 500 'Audit Evidence'. From this review we did not identify any items which gave us cause for concern over the suitability of the actuary.

We reviewed the reasonableness of the assumptions and source data used in the calculation and the information in the actuarial report for completeness and accuracy against the published pension fund data. Our work included a meeting with the actuary to discuss, scrutinise and review the pensions assumption relevant to Clydeplan. Our findings and conclusions are included in the significant risk table above.

Clydeplan has disclosed in its annual accounts a sensitivity analysis to help users of the annual accounts understand the judgements management have made about the sources of estimation uncertainty.

Materiality

Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of Clydeplan and the needs of users. We review our assessment of materiality throughout the audit.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the Joint Committee and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Our initial assessment of materiality was £13,000. On receipt of the unaudited financial statements, we reassessed materiality and have decreased this to £11,000 in proportion to the increase in Gross Expenditure for 2022/23 financial year. We consider that our updated assessment has remained appropriate throughout our audit.

		£
Overall materiality for the financial statements	100%	11,000
Performance materiality	75%	8,250
Trivial threshold	5%	550

Materiality

Our assessment is made with reference to Clydeplan's gross expenditure. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance of Clydeplan.

Our assessment of materiality equates to approximately 2% of gross expenditure as disclosed in the 2022/23 unaudited annual accounts.

In performing our audit, we apply a lower level of materiality to the Remuneration Report. Our materiality was set at £5k.

We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our materiality levels set. We perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.

Performance materiality

Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out.

Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceeds overall materiality.

Trivial misstatements

Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Audit differences

We identified a small number of errors in the draft financial statements during our audit. These are set out in more detail in Appendix 2. Management agreed to amend the financial statements for all the errors we identified. The overall impact of the adjustments made on the financial statements was £1,590k.

We also identified disclosure and presentational adjustments during our audit which have been reflected in the final set of financial statements and are disclosed in Appendix 2.

Internal controls

As part of our work, we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Joint Committee. These matters are limited to those which we have concluded are of sufficient importance to merit being reported.

We did not identify any significant control weaknesses during our audit.

Follow up of prior year recommendations

We followed up on progress in implementing actions raised by the predecessor auditor in the prior year as they relate to the audit of the financial statements. Full details of our findings are included in Appendix 3.

Other communications

Accounting policies, presentation and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by Clydeplan.

The accounting policies, which are disclosed in the financial statements, are in line with the CIPFA LASAAC Code of Practice and are considered appropriate. The accounting policies used in preparing the financial statements are unchanged from the previous year.

There are no significant financial statements disclosures that we consider should be brought to the attention of Clydeplan. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately. Overall, we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management and the Joint Committee. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting Clydeplan. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations.

Written representations

We requested written representations from management, and these have been shared with the Joint Committee alongside this report, and are due to be approved and signed alongside the financial statements upon completion.

Related parties


We are not aware of any related party transactions which have not been disclosed.

Confirmations from third parties

All requested third party confirmations have been received.

Wider Scope

Financial sustainability

<p>Financial Sustainability</p> <p>Financial sustainability looks forward to the medium and longer term to consider whether Clydeplan is planning effectively to continue to deliver its services.</p>	<p>Auditor judgement</p> 
	<p>Clydeplan's revised revenue budget for 2023/24 and indicative budget estimates for the subsequent two years to 2025/26 shows an overall deficit position for the full three years, utilising uncommitted reserves to cover expected deficits.</p> <p>Requisition Income is proposed at £67,500 per member. This maintains the gross requisition at 2022/23 levels, with a requisition discount of £39,500 applied, in recognition of the high level of uncommitted reserves. This proposal represents a 1.3% reduction in the net requisition for 2023/24.</p> <p>Clydeplan's financial plans are subject to ongoing review and development. The application of reserves to support service delivery offers a potential short-term solution for the existing funding gap. However, it does not achieve a sustainable financial plan to address the potential future funding gaps from 2026/27.</p> <p>Due to the current financial climate, operational costs will remain under review and any savings that may arise will be taken to the Joint Committee for consideration. The level of reserves will also remain under review and any changes to the proposed use of reserves will be reported as appropriate to the Joint Committee.</p>

Significant audit risk

Our audit plan identified a significant risk in relation to financial sustainability under our wider scope responsibilities:

Extract from External Audit Plan - Financial sustainability

In December 2022 Clydeplan considered its revenue budget for 2023/24 and indicative budget estimates for the subsequent two years to 2025/26.

At the end of the current financial year, Clydeplan is estimating to have a revenue reserve of £421k which represents circa 76% of operating income or over 50% of expenditure. The key cost driver is staff expenditure which is expected to increase over the period of the estimate by 3% each year.

Due to a high level of uncommitted reserves, net requisitions for 2023/24 will be reviewed to identify potential savings for Members. Clydeplan's approach is to have reserves of a minimum of 10% of its expenditure which currently equates to £56k.

There is a level uncertainty in the above estimates due to:

- Indirect dependence on the Scottish Government annual allocation of funding to local authorities who in turn fund Clydeplan activities through requisitions. The funding levels from the Scottish Government beyond 2023/24 are uncertain and impacted by wider economic factors in Scotland.
- Clydeplan faces cost pressures, particularly in its staff cost which make up 87% of its expenditure. While the most recent Bank of England's expectation is that the inflation will fall to 4% at the calendar year end, current levels of inflation remain high at around 10%.

There is also uncertainty around the impact of the Planning (Scotland) Act and succession planning due to the retirements of key staff expected at the end of 2022/23.

Clydeplan's medium to longer term financial planning is therefore subject to a number of uncertainties, with use of reserves likely to cover for the budgeted and estimated deficits for the foreseeable future. We note that the application of reserves for this purpose, will still maintain a level of reserves at the end of 2025/26 significantly above the minimum 10% (of expenditure) preferred level.

However, further use of reserves should be considered with a long- term view on Clydeplan's financial sustainability.

Our detailed findings on Clydeplan's arrangements for achieving long term financial sustainability are set out below.

2022/23 revenue budget

The Comprehensive Income and Expenditure Statement for 2022/23 shows that Clydeplan spent £552.6k on the delivery of services, resulting in an accounting surplus of £6.5k.

The accounting deficit includes certain elements of income and expenditure that need to be accounted for to comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the 2022/23 Code), and which are subsequently adjusted to show their impact on reserves.

Taking account of these adjustments, Clydeplan reported a surplus of £75k increasing general fund reserves to £389.3k.

At the outset (December 2021) the Joint Committee approved a balanced revenue budget, through a planned drawdown of reserves of £30k. As at 31 March 2023 (financial year-end), net expenditure was (£75k), comprising gross expenditure of £480k, less gross income of £555k. There were only minor movements in the final variances to budget compared to the projected break-even position at Period 11.

Medium term financial plan

Clydeplan's revised revenue budget for 2023/24 and indicative budget estimates for the subsequent two years (to 2025/26) shows an overall deficit position for the full three years, utilising uncommitted reserves to cover the deficits.

	2023/24 £'000	2024/25 £'000	2025/26 £'000
Total Expenditure	567	580	592
Total Income	(547)	(550)	(562)
Net expenditure	20	30	30
Uncommitted Reserves			
Opening balance at 1 April	288	268	238
Use of reserves	(20)	(30)	(30)
Closing balance at 31 March	268	238	208

Key assumptions in the 2023/24 budget and indicative financial plans include;

- Provision for inflation on employee costs has been included at an average 5% for 2022/23 and 5% for subsequent years. This was revised at the March 2023 committee from the initial assumptions taken to committee in December 2022 after scrutiny by the Members;
- Current working from home arrangements and other operational changes have resulted in savings across various areas of the budget, e.g. staff training, conferences, consultancy, printing and travel, and the budget assumption is that these savings will be sustained into 2023/24 and beyond;

- As agreed by the Joint Committee on 13 September 2021, a two-year temporary Grade 9 post of Green Network Development Officer has been included in the GNP Employee Costs. The post was appointed to in 2022/23 and is budgeted to be funded from ClydePlan reserves.

Requisition Income is proposed at £67,500 per member. This maintains the gross requisition at 2022/23 levels, with a requisition discount of £39,500 applied, in recognition of the high level of uncommitted reserves. This proposal represents a 1.3% reduction in the net requisition for 2023/24.

However, we note that despite those challenges identified above for managing the use of reserves, as at 31 March 2023 total usable reserves was £389.3k.

Clydeplan's financial plans are subject to ongoing review and development. The application of reserves to support service delivery offers a potential short-term solution for existing funding gap. However, it does not achieve a sustainable financial plan to address the potential future funding gaps from 2026/27.

Due to the current financial climate, operational costs will remain under review and any savings that may arise will be taken to the Joint Committee for consideration. The level of reserves will also remain under review and any changes to the proposed use of reserves will be reported as appropriate to the Joint Committee.

Annual Governance Statement

Our review of the Annual Governance Statement assessed the assurances which are provided to Clydeplan and management regarding the adequacy and effectiveness of the system of internal control which operated in the financial year. The statement also summarises internal audit findings with the Chief Internal Auditor's assurance statement concluding a reasonable level of assurance can be placed upon the adequacy and effectiveness of Clydeplan's internal control system.

We concluded that the information in the Annual Governance Statement is consistent with the financial statements and complies with the guidance issued by the Scottish Ministers.

Appendices



Appendix 1: Responsibilities of Clydeplan and the Auditor

Appendix 2: Audit differences identified during the audit

Appendix 3: Follow up of prior year recommendations



Appendix 1: Responsibilities of Clydeplan and the Auditor

Responsibilities of Clydeplan

Clydeplan is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Treasurer has been designated as that officer. The Treasurer is responsible for the preparation of Clydeplan's annual accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Area	Clydeplan's responsibilities
Corporate governance	Clydeplan is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.
Financial statements and related reports	<p>Clydeplan has responsibility for:</p> <ul style="list-style-type: none"> preparing financial statements which give a true and fair view of the financial position of Clydeplan and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support the balances and transactions in its financial statements and related disclosures; preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent and a remuneration report that is consistent with the disclosures made in the financial statements and prepared in accordance with prescribed requirements. The management commentary should be fair, balanced and understandable and also address the longer-term financial sustainability of Clydeplan. <p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users</p>

Area	Clydeplan's responsibilities
	<p>about Clydeplan and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</p> <p>Clydeplan is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. Clydeplan is also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
Standards of conduct for prevention and detection of fraud and error	<p>Clydeplan is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.</p>
Financial position	<p>Clydeplan is responsible for putting in place proper arrangements to ensure its financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
Best Value	<p>Clydeplan has a specific responsibility to ensure that arrangements have been made to secure best value. It is responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p>

Auditor responsibilities

Code of Audit Practice

The Code of Audit Practice (the Code) describes the high-level, principles-based purpose and scope of public audit in Scotland. The [2021 Code](#) came into effect from 2022/23.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General and it is a condition of our appointment that we follow it.

We have concluded that Clydeplan is a less complex public body for 2022/23.

Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to Clydeplan and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

However, for less complex bodies the wider scope and best value work is limited to:

- a review of the Annual Governance Statement; and
- concluding on the financial sustainability of the body and the services that it delivers over the medium to longer term and; for local government bodies, reporting on the arrangements for securing Best Value.

Financial sustainability



Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Auditor considerations

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

Our work in respect of Clydeplan's best value arrangements has been integrated into our audit approach, including our work on the wider scope areas as set out within this report.

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#).

The most recent audit quality report can be found at <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202122>

Independence

The Ethical Standards and ISA (UK) 260 require us to give Clydeplan and fair disclosure of matters relating to our independence. In accordance with our profession's ethical guidance and further to our External Audit Annual Plan issued confirming audit arrangements we have no matters to bring to the Joint Committee's attention.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been

properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Our period of total uninterrupted appointment as at the end of 31 March 2023 was one year.

Audit and non-audit services

The total fees charged to the entity for the provision of services in 2022/23 were as follows. Prior year charges for the predecessor auditor are also shown for comparative purposes:

	Current year	Prior year
Auditor remuneration	£19,800	£2,700
Pooled costs	-	£280
Audit support costs	£660	£140
Sectoral cap adjustment	(£14,680)	-
Total fees	£5,780	£3,120

The FRC's Ethical Standard stipulates that where an auditor undertakes non-audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. We have not provided any non-audit services to Clydeplan.

Appendix 2: Audit differences identified during the audit

We are required to inform the Joint Committee of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. The non-trivial misstatement discovered during the course of our audit which have been adjusted for by management are summarised in the table below.

Adjusted misstatements

Details of the item corrected following discussions with management is as below.

No	Detail	Assets	Liabilities	Reserves	CIES
		Dr / (Cr)	Dr / (Cr)	Dr / (Cr)	Dr / (Cr)
		£000's	£000's	£000's	£000's
1.	This year's IAS 19 report for Clydeplan with the actuarial results indicated a pension surplus (or pension asset) of £1,622k. This is a significant difference to prior year's pension asset of £168k and was mainly driven by a significant increase in discount rate assumption between the years. The discount rate as at 31 March 2023 has been 4.75% and decreasing the future obligations substantially, which combined with no significant movement in the value of investment assets resulted in a pension surplus.	1,590			(1,590)

However, the accounting standards require Clydeplan to review the pension surplus and only recognise it to the lower of the surplus or an 'asset ceiling'. A detailed

No	Detail	Assets Dr / (Cr) £000's	Liabilities Dr / (Cr) £000's	Reserves Dr / (Cr) £000's	CIES Dr / (Cr) £000's
	technical guidance on how to calculate the pension asset ceiling had been issued by Audit Scotland early in July 2023. Following that, we asked the management to calculate the asset ceiling and assess the surplus against it. This resulted in a material adjustment to the accounts and limiting the asset to the asset ceiling value to £32k, with a £1,590k audit adjustment processed in the accounts.				
2.	Pension valuation adjustment to reflect the actual figures received from SPFO.	(36)	36		
Net impact on General Fund Reserve					(1,590)
Net impact on net assets					1,590

Unadjusted misstatements

We identified no unadjusted misstatements during our audit.

Misclassification and disclosure changes

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by Clydeplan.

We identified a number of reclassification adjustments and some minor presentational issues in Clydeplan's accounts, and these have all been amended by management. Details of all disclosure changes amended by management which following discussions are as below.

No	Detail
1.	<u>Minor presentational and disclosure issues</u> The audit team have raised minor and presentational issues with management and we recommend that these are updated.
2.	<u>Pension Asset Narrative</u> Clydeplan has updated its pension disclosures to account for the change in pension asset values as detailed in adjustments table above.
3	<u>Reclassification of Income</u> There was a reclassification of income from Interest Receivable to Other Income of £3.4k.

Overall, we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

Impact of prior year unadjusted misstatements

There were no prior year unadjusted misstatements reported in the prior year audit.

Appendix 3: Follow up of prior year recommendations

We have followed up on the progress Clydeplan has made in implementing the recommendations raised by the previous auditor last year which were reported as either new or ongoing.

We note that this is ongoing.

Recommendations raised in 2021/22

Related parties

There was one audit finding in relation to related parties. Clydeplan's related parties note was reviewed against the requirements of IAS 24 and Audit Scotland's Good Practice Note. Clydeplan's process for identifying related parties could be further improved by management by:

- conducting a review of the register of interest of each Joint Committee member against a year-end transaction listing to identify any related party disclosures;
- consideration of the interests of close persons or family members of those related to Clydeplan in the identification of related parties; and
- adding a link in the note to signpost to Joint Committee members Register of Interests.

Ongoing

Our work in this area is ongoing however, we note that Clydeplan has updated the disclosure considerably, following this recommendation.

Clydeplan Lease Arrangements

Clydeplan's lease arrangements for West Regent Street expired in October 2019 and arrangements were made to operate from Glasgow City Council (GCC) with no charge.

There is no written agreement or formal documentation outlining these arrangements.

It was recommended that this arrangement was formalised and a contingent liability put in place for the potential liability owed to GCC in line with the estimates reflected in budgeting.

Recommendations raised in 2021/22

Ongoing

Due to the retiral of both senior managers, this work is still ongoing and is expected to conclude by 31 March 2024

A recommendation was raised as it was unclear how regularly risks are reviewed, and updated risk registers are not regularly reported to the Joint Committee for review and comment.

Specifically, management should ensure:

**Risk
Monitoring
and Review**

- That the risk management process is formalised, with an updated risk register taken regularly for review by the Joint Committee.
- The governance statement is updated to reflect how sufficient assurance has been obtained over risks in the absence of formal review and monitoring and details any intentions of improvement to the process going forward.

Ongoing

Due to the retiral of both senior managers, this work is still ongoing and is expected to conclude by 31 March 2024

**Pension
Reconciliation**

There was another finding in relation to a difference in the employer contribution figure recognised in RVJB's ledger and the Hymans Robertson's IAS 19 report.

Management should perform a reconciliation for pension contributions at year-end that identifies reconciling differences in order to gain sufficient assurance over the pension figures disclosed per the Hymans Robertson's report/accounts.

Resolved

We have concluded our work around Pensions and are comfortable that the employer's contribution figure per the ledger versus per the IAS 19 report is not materially misstated. We deem this recommendation to be resolved.

© Azets 2023. All rights reserved. Azets refers to Azets Audit Services Limited. Registered in England & Wales Registered No. 09652677. VAT Registration No. 219 0608 22. Registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.

Accounting | Tax | Audit | Advisory | Technology

My Ref: AM/CB
Contact: Alastair MacArthur
Telephone Number: 0300 300 0285
E Mail: alastair.macarthur@renfrewshire.gov.uk



Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Dear Sirs

Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee ("Clydeplan")
Financial Statements for the year ended 31 March 2023
Letter of Representation (ISA 580)

This representation letter is provided for the purpose of expressing an opinion as to whether Clydeplan's financial statements present a true and fair view, in all material respects, in accordance with applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

I confirm to the best of my knowledge and belief and having made appropriate enquiries of Clydeplan, the following representations given to you in connection with your audit of Clydeplan's annual accounts for the year ended 31 March 2023.

Financial Statements

- i. Clydeplan and I have fulfilled our responsibilities for the preparation of Clydeplan's financial statements in accordance with applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code), for being satisfied that they give a true and fair view and for making accurate representations to you.
- ii. I have complied with the requirements of all statutory accounting regulations affecting the accounts of Clydeplan, and these matters have been appropriately reflected and disclosed in the financial statements.
- i. The financial statements are free of material misstatements, including omissions.
- ii. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.



Finance & Resources
Director: Alastair MacArthur CPFA
Renfrewshire House, Cotton Street, Paisley PA1 1TT
www.renfrewshire.gov.uk



- iii. I acknowledge my responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and I believe that I have appropriately fulfilled these responsibilities.
- iv. The methods, data and significant assumptions used by us in making accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework. I am satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements.
- v. Clydeplan has satisfactory title to all assets disclosed in the accounts. I have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities as at 31 March 2023 reflected in the financial statements.
- vi. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of Clydeplan has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of applicable law and accounting standards.
- viii. All events subsequent to the date of the financial statements and which require adjustment or disclosure have been adjusted or disclosed.
- ix. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK adopted international accounting standards, and as interpreted and adapted by the Code.
- x. I confirm my estimation of the holiday pay accrual is materially accurate and complete within the financial statements.
- xi. I have assessed Clydeplan's ability to continue to use the going concern basis of accounting and have concluded that at this time, it is appropriate for the next twelve months. There are ongoing discussions about future governance arrangements; however, the existing terms of the minute of agreement require a two-year notice period of any significant changes to the Joint Committee.

Information Provided

- xii. I have provided you with:
 - a. access to all information of which I am aware that is relevant to the preparation of Clydeplan's financial statements such as accounting records, and all other records requested;
 - b. additional information that you have requested from us for the purpose of your audit; and



- c. unrestricted access to persons within Clydeplan (via remote arrangements where necessary), from whom you determined it necessary to obtain audit evidence.
- xiii. I have communicated to you all deficiencies in internal control of which management is aware.
- xiv. All transactions undertaken by Clydeplan have been recorded in the accounting records and are properly reflected in the financial statements.
- xv. I have disclosed to you the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xvi. I have disclosed to you all information in relation to known fraud or suspected fraud that I am aware of and that affects Clydeplan and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xvii. I have disclosed to you all information in relation to instances of, or allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xviii. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xix. I have disclosed to you the identity of Clydeplan's related parties and all the related party relationships and transactions of which I am aware.
- xx. I have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- xxi. I acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as I am aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Member has taken all the steps that they ought to have taken as a Member in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Annual Governance Statement

- xxii. I am satisfied that the Annual Governance Statement (AGS) fairly reflects Clydeplan's risk assurance and governance framework, and I confirm that I am not aware of any significant risks or weaknesses in governance or internal control that are not disclosed within the AGS.

Management Commentary

- xxiii. The disclosures within the Management Commentary fairly reflect my understanding of Clydeplan's financial and operating performance over the period covered by the financial statements.



Finance & Resources
Director: Alastair MacArthur CPFA
 Renfrewshire House, Cotton Street, Paisley PA1 1TT
www.renfrewshire.gov.uk



Remuneration Report

xxiv. I am satisfied that the disclosures within the Remuneration report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Approval

The approval of this letter of representation was minuted by Clydeplan at its meeting on 26 September 2023.

Yours faithfully

Alastair MacArthur

Treasurer



Finance & Resources
Director: Alastair MacArthur CPFA
Renfrewshire House, Cotton Street, Paisley PA1 1TT
www.renfrewshire.gov.uk





Glasgow and the Clyde Valley
Strategic Development Planning Authority

Audited Annual Accounts 2022/23

CONTENTS

Management Commentary.....	1
Statement of Responsibilities for the Annual Accounts	6
Annual Governance Statement.....	7
Remuneration Report	10
Independent auditor's report	12
Comprehensive Income and Expenditure Statement	16
Movement in Reserves Statement.....	17
Balance Sheet	18
Note 1: Expenditure Funding Analysis	19
Note 2: Accounting Standards Issued not Adopted	19
Note 3: Unusable Reserves	20
Note 4: Events after the Balance Sheet date	21
Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations	21
Note 6: Debtors	21
Note 7: Creditors	21
Note 8: Related parties	22
Note 9: External audit costs	23
Note 10: Retirement Benefits	23
Note 11: Contingent Liabilities.....	26
Note 12: Summary of Significant Accounting Policies.....	26
Note 13: Assumptions made about the future	30
Note 14: Green Network Partnership	30

Management Commentary

The purpose of the Management Commentary is to present an overview of Clydeplan's financial performance during the year 2022/23 and to help readers understand its financial position as at 31 March 2023. In addition, it outlines the main risks and uncertainties facing Clydeplan for the financial year 2022/23 and beyond.

History and Background

The Glasgow and Clyde Valley Strategic Development Planning Authority (GCVSDPA) was created in 2008, when the Scottish Government established Strategic Development Planning Authorities for each of the four Scottish city regions.

In 2014 the GCVSDPA rebranded as 'Clydeplan' to improve recognition and gain wider resonance within the region. The principal role of Clydeplan is to prepare and maintain an up-to-date Strategic Development Plan (SDP) for the region. This process involves engagement through joint working and consultation with key stakeholder organisations and the wider community.

Clydeplan is a Joint Committee formed under Section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is comprised of the following eight local authorities:

- East Dunbartonshire Council;
- East Renfrewshire Council;
- Glasgow City Council;
- Inverclyde Council;
- North Lanarkshire Council;
- Renfrewshire Council;
- South Lanarkshire Council; and,
- West Dunbartonshire Council.

The Joint Committee is comprised of two members from each constituent authority. During 2022/23, the Chair of the Joint Committee was Councillor Lawrence

O'Neill of West Dunbartonshire Council and Vice-Chair was Councillor David Wilson of Inverclyde Council.

A Joint Committee is not a separate legal entity, therefore, to ensure its actions have legal effect it must appoint a 'lead authority' with legal personality to act on its behalf to implement its decisions. The lead authority appointed to act for Clydeplan is currently Renfrewshire Council.

The Joint Committee is supported by a Steering Group comprising the Strategic Development Plan Manager and the Chief Planning Officers (or their representatives) of each of the member authorities. The Steering Group meets at least four times a year to consider SDP and regional spatial planning related activity, consultations and reports presented to the Joint Committee on the work programme to be undertaken by the Clydeplan Core Team.

In December 2022, the Assistant Strategic Development Plan Manager retired and in April 2023, the Strategic Development Plan Manager also retired. Day-to-day operational management of the ClydePlan team is currently being undertaken by the Chief Planning Officer at Renfrewshire Council, as lead authority.

Performance and Activity 2022/23

Strategic Development Plan

The SDP covers a period of 20 years, with the current SDP being approved by Scottish Ministers on 24 July 2017. The SDP sets out a clear vision and spatial strategy for the Glasgow City Region with a focus on the key land use and development. It also sets out a policy framework to help deliver sustainable economic growth and enhance the quality of life in the Glasgow City Region.

Planning (Scotland) Act 2019

The Planning (Scotland) Act 2019 became law on 25 July 2019. The new act places a duty on Local Authorities to prepare '*Regional Spatial Strategies*', rather than SDPs.

The development of this strategy will be influenced and integrated into the Glasgow City Region processes and structures in terms of engagement and governance through related Portfolio groupings, including:

- Land Use and Sustainability;
- Transport and Connectivity;
- Housing and Equalities;
- Infrastructure and Assets;
- Economic Delivery Group.

During 2022 Clydeplan continued its support for the various work streams of the various Glasgow City Region thematic portfolios including Land Use and Sustainability, Infrastructure and Assets, Housing and Equalities, Transport and Connectivity based portfolios and both the Economic Delivery Group and the Intelligence Hub.

Clydeplan's involvement with the Glasgow City Region activities is likely to continue to grow and develop during 2023 particularly given the economies of scale and general benefits that can be gained through city region scale joint partnership working.

This regional joint working approach also supports the Planning (Scotland) Act which seeks for local authorities, working together, as groupings to support the delivery of National Planning Framework 4 through the development of Regional Spatial Strategies.

It is anticipated that the formal duty to prepare a Regional Spatial Strategy will come into effect once NPF4 is adopted in early 2023.

Green Network Partnership

Since the establishment of the Glasgow City Region Green Network Partnership in 2007, the first partnership of its type in Scotland, green networks and related thinking has developed significantly much of which has been at the instigation of the work of the Green Network team, including:

- the Central Scotland Green Network established as a National Development in NPF4 and proposed to continue as a National Development in NPF4,
- the development of the Glasgow City Region Green Network 'Blueprint' and the
- the development of Green Infrastructure policy advice.

The role for green networks has also been identified as an important component of the city region's green recovery and in respect of tackling the twin climate and ecological emergencies. In this context the Strategic Habitat Network plays an important role, with projects covering peatland restoration, grassland and wetland development, and woodland development.

An overview of the Green Network Partnership is provided at Note 14: Green Network Partnership, on page 30.

In fulfilment of its Minute of Agreement and the existing requirements of the 2006 Planning Act, the Joint Committee approved its Annual Report in March 2023. This, along with the 2022/23 Development Plan Scheme and Participation Statement can be accessed at the following web links:

- Annual Report - <https://www.clydeplan-sdpa.gov.uk>Strategic Development Plan>Annual Reports>
- Development Plan Scheme and Participation Statement - <https://www.clydeplan-sdpa.gov.uk>Planning Authority>Development Plan Scheme and Participation Statement>

The priorities for the future work of Clydeplan will be influenced, amongst other things, by

- the Planning (Scotland) Act 2019 and the requirements in relation to strategic planning and the National Planning Framework 4;
- ongoing developments around Glasgow City Region in terms of governance, subject based portfolios, City Deal and the Glasgow City Region Economic Strategy and Action Plan;
- development of a work programme to support the development of the Regional Spatial Strategy; and,
- continuing challenges of delivery in the context of reduced financial and local authority planning staff resources.

It is acknowledged that for each of the above there are timescale, resource and funding risks which are out with the direct control of the Joint Committee, but through its joint working processes will seek to minimise and mitigate these risks as far as practically possible.

Primary Financial Statements

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

The Annual Accounts summarise the Joint Committee's transactions for the year and its year-end position at 31 March 2023. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet.

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

Financial Performance

Revenue

The Comprehensive Income and Expenditure Statement (CIES) on page 12 summarises the total costs of providing services and the income available to fund those services.

The Joint Committee has returned a surplus of £75,163 for the financial year 2022/23. This results in an underspend of £105,163 against the planned deficit of £30,000. This excludes accounting adjustments relating to pensions and short-term accumulating compensated absences.

The difference between the Employee Costs figure below and the figure reported in the CIES is due to the accounting adjustments for pension costs of £76k and accrued employee benefits of (£3k). A summary of the final outturn position against the approved budget for Clydeplan is shown below.

Employee Costs underspent due to the retirement of the Assistant Strategic Development Plan Manager in December 2022, as well as other vacancies that have not yet been filled, including one Strategic Planner post and one Planning Analyst post.

Property Costs underspent against budget due to Clydeplan moving into 40 John Street Glasgow, where costs are substantially lower, while the Supplies and Services overspend is mostly attributable to increased external Audit Fees, along with higher ICT maintenance costs.

Transfer Payments are higher than anticipated due to a planned transfer to Green Network Partnership to fund a Development Officer post, as previously approved by the Joint Committee, offset by an underspend from a budget of £30k that was approved in 2022/23 for a Sustrans bid, which was unsuccessful.

Other Income is over-recovered mainly due to a higher than budgeted interest received, following the rise in bank rates over the course of the year.

	Budget £	Actual £	Variance £
Employee Costs	473,600	371,584	102,016
Property Costs	22,200	(2,704)	24,904
Supplies and Services	27,400	37,243	(9,843)
Support Costs	23,700	24,015	(315)
Transfer Payments	32,100	49,637	(17,537)
Transport Costs	1,000	183	817
Total Expenditure	580,000	479,958	100,042
Requisition Income	(547,000)	(547,000)	0
Other Income	(3,000)	(8,121)	5,121
Total Income	(550,000)	(555,121)	5,121
(Surplus)/Deficit for Year	30,000	(75,163)	105,163

The Balance Sheet at 31 March 2023

The Balance Sheet sets out the total net worth of the Joint Committee at a snapshot in time. When comparing the net worth of Clydeplan at 31 March 2023 to that of the prior year, an overall decrease in net worth of the organisation of £57k can be seen. This is primarily due to the movement in the pension asset explained below.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 10: Retirement Benefits. The appointed actuaries have confirmed a net asset position of £1.622m, an increase of £1.454m in their assessment of Clydeplan's share of the pension fund asset. This is largely attributable to the corporate bond yield (upon which the pension discount rate is derived) rise over the past year, which served to reduce the employer's pension obligations and led to the gain on the balance sheet.

However, there is a cap on the value of a pension asset that can be reported for accounting purposes. For 2022/23, this adjusts the value of the pension asset shown in the balance sheet to £32k.

A potential change to pension rules is outlined in Note 11: Contingent Liabilities on page 26; however, this has not been reflected in the pension asset reported in the Balance Sheet.

Reserves

Reserves are classified under accounting regulations into two categories: Usable reserves, which are available to spend; and Unusable reserves, which are unrealised net gains or losses that have a deferred impact on the Joint Committee.

The Joint Committee had an opening balance on its Usable Reserve at 1 April 2022 of £314k. The 2022/23 surplus of £75k takes the closing reserves balance to £389k.

Outlook and Future Plans

Governance

In December 2022, the Assistant Strategic Development Plan Manager retired and in April 2023, the Strategic Development Plan Manager also retired. Day-to-day operational management is being undertaken by the Chief Planning Officer at Renfrewshire Council, as lead authority.

In light of this change in the management of Clydeplan, and the introduction of RSS requirements under the Planning (Scotland) Act 2019, the Joint Committee is reviewing governance arrangements and considering the strategic direction of Clydeplan.

At a Special Meeting of the Joint Committee on 28 June 2023, members voted to recommend to the constituent authorities that:

“Existing Clydeplan staff resource would be reviewed in light of the new requirements for RSS preparation. Staff would be consulted on a possible TUPE transfer to Glasgow City Council. If transferred, the team would be integrated into the existing City region structures (overseen by the Regional Director) who would take responsibility for preparing an RSS and reporting this through to the GCR Cabinet for approval. This would move the duty to prepare an RSS directly into the city region governance structures.”

The next step is for each constituent authority to seek a decision from their respective Councils on their agreement or otherwise with the recommendation. The Joint Committee’s Minute of Agreement states the following in relation to withdrawal from the existing structure:

“Withdrawal may be made from the Agreement on Thirty first March in any year by any of the Member Councils serving upon the Joint Committee not less than two years notice to be served in like manner as a notice served under Section 190 of the Local Government (Scotland) Act 1973. Such withdrawal

shall not affect the obligation of the party or parties withdrawing to pay their share of the costs due under this Minute of Agreement, including without prejudice to the foregoing generality, their allocation of the costs of the Core Team, any seconded staff and their contributions to the budgets of the Joint Committee for the next two financial years following the date of service of Notice.”

This has the effect of continuity for at least two years from the date of any withdrawal.

Budget 2023/24

The 2023/24 budget for Clydeplan was approved by the Joint Committee on 12 December 2022.

Clydeplan expenditure budget has decreased for 2023/24, in line with reductions in Premises Costs and Transport costs. Furthermore, in recognition of the high level of reserves, a further reduction of requisition is made in 2023/24 to contributing authorities, totalling £39,500.

Conclusion

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record our thanks to the outgoing Strategic Development Plan Manager and Assistant Strategic Development Plan Manager and all staff for their continued hard work and support.

Councillor Lawrence O’Neill
Convener

Alasdair Morrison
Head of Economy and Development

Alastair MacArthur
Treasurer

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required to:

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

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on the 26 September 2023.

Signed on behalf of Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee.

Councillor Lawrence O'Neill
Convener

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2023.

Alastair MacArthur
Treasurer

Annual Governance Statement

Scope of Responsibility

Glasgow and Clyde Valley Strategic Development Planning Authority's Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Joint Committee's Governance Framework

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

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main features of our governance arrangements are:

- A Minute of Agreement between the member councils of the Joint Committee, <https://www.clydeplan-sdpa.gov.uk/planning-authority/joint-committee>, setting out the arrangement for the preparation, monitoring and review of the Strategic Development Plan;
- The Joint Committee is supported by a Steering Group comprising senior planning professionals from each of the member councils and the Strategic Development Plan Manager;
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations;
- The development of a work programme for the development of the Regional Spatial Strategy;
- Public performance reporting through the Annual Report;
- Policies to regulate employee related matters, including the employee code of conduct and disciplinary procedures;
- The Joint Committee approves, as part of the Glasgow and Clyde Valley Green Network Partnership's Terms of Reference, the allocation of local authority contributions to support the delivery of its Business Plan;
- Risk management arrangements including regular monitoring and review of significant risk exposures;
- Business continuity arrangements are in place and are kept under review by the Management Team.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors are detected and corrected. The system is based on a framework of management information, financial regulations, administrative procedures (including

segregation of duties), management and supervision, and a system of delegation and accountability.

The system includes:

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

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of Renfrewshire Council. This includes regular reviews by the Chief Internal Auditor of Renfrewshire Council.

Review of Effectiveness

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

The effectiveness of the governance framework is reviewed annually by the Strategic Development Plan Manager, including the use of a self-assessment tool covering five key areas of governance:

- Business Planning and Performance Management;
- Internal Control Environment;
- Budgeting, Accounting and Financial Control;
- Risk Management and Business Continuity;
- Conflicts of Interest and whistleblowing.

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

The Joint Committee's internal audit service is provided by the lead authority's internal auditors and operates in accordance with the Public Sector Internal Audit Standards. The lead authority conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019). Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process.

The Chief Internal Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Internal Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems.

The review has not identified any significant governance issues to be reported on for 2022/23 and no actions arising for the 2021/22 governance statement that require to be reported on.

This governance framework has been in place throughout the year. Processes have been refined during the year in light of the prevailing COVID restrictions at the time, taking into account health and safety advice from officers from the lead authority. By the end of 2022/23 required mitigations were minimal and working practices were close to normal.

Meetings of the Joint Committee continued to be held virtually. The arrangements in place are still considered to be effective.

Planning (Scotland) Act 2019

Following the Scottish Government's review of the Scottish planning system the Planning (Scotland) Act came into effect on 25 July 2019.

A key provision of the new Act was the removal of the statutory duty on local authorities to prepare a

Strategic Development Plan, this being replaced with a duty to prepare a Regional Spatial Strategy.

The Regional Spatial Strategy will not form part of the Statutory Development Plan, which is currently made up of the Strategic Development Plan and Local Development Plan. Under the terms of the new Act the statutory Development Plan will instead comprise the National Planning Framework and the Local Development Plan.

The Clydeplan Strategic Development Plan (July 2017) is no longer in force following the adoption and publication by Scottish Ministers of the National Planning Framework 4 on 13 February 2023.

Regional Spatial Strategy Guidance expected to be published by the Scottish Government in 2023.

The Clydeplan Joint Committee at its meeting held on 8 March 2022 agreed that all eight local authorities continue to work jointly to discharge their duty under the Planning (Scotland) Act 2019 to prepare a Regional Spatial Strategy.

Assurance

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

Councillor Lawrence O'Neill
Convener

Alasdair Morrison
Head of Economy and Development

Remuneration Report

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

Remuneration policy for elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

Remuneration policy for senior employees

The Remuneration Policy of the Joint Committee is set in reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The salary of the Strategic Development Planning Manager is set at spinal point 29, which is currently the equivalent of 53% of the salary of the Chief Executive of Renfrewshire Council. These arrangements were agreed through approval of the Chief Officers' Award – Structure Plan Manager report at a meeting of the Joint Committee on 2 December 2002. The Assistant Strategic Development Planning Manager and Programme Manager posts have been evaluated under the single status framework and are paid according to the salary scales of Renfrewshire Council.

2021/22 Total Salary, fees and allowances £	Name	Post Held	2022/23 Total Salary, fees and allowances £
80,678	Stuart Tait	Strategic Development Plan Manager	84,111
56,814	Dorothy McDonald	Assistant Strategic Development Plan Manager (until 31 December 2022)	39,507
137,492	Total		123,618

The above table shows the relevant amounts, before tax and other deductions, due to each of the persons named for the year to 31 March 2023, whether or not those amounts were actually paid within that period. The Assistant Strategic Development Plan Manager retired on 31 December 2022.

pension age for each member. From 1 April 2009, a five-tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS). From 1 April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state

Tiered contribution rates on whole time pay 2022/23		Equivalent bandings for 2021/22
Up to £23,000	5.5%	Up to £22,300
£23,001 to £28,100	7.25%	£22,301 to £27,300
£28,101 to £38,600	8.5%	£27,301 to £37,400
£38,601 to £51,400	9.5%	£37,401 to £49,900
Over £51,401	12%	Over £49,901

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 a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living.

Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary.

The 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 full pension on

retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

No pension contributions are made for the Joint Committee Convener or Vice-Convener.

Name	Post Held	Accrued Pension benefits as at 31 March 2023				Pension Contributions made by the Joint Committee	
		As at 31 March 2023		Change from 31 March 2022		2022/23	2021/22
		Pension	Lump Sum	Pension	Lump Sum		
		£000	£000	£000	£000	£	£
Stuart Tait	Strategic Development Plan Manager	44	68	3	4	16,233	15,500
Dorothy McDonald	Assistant Strategic Development Plan Manager	31	48	2	2	8,739	10,965

Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2022/23, in bands of £5,000.

2021/22 Number of employees	Remuneration Band	2022/23 Number of employees
1	£55,000 - £59,999	0
1	£75,000 - £79,999	0
0	£80,000 - £84,999	1
2	Total	1

Exit Packages

Clydeplan has not agreed any exit packages in either 2022/23 or 2021/22.

Councillor Lawrence O'Neill
Convener

Alasdair Morrison
Head of Economy and Development

Independent auditor's report to the members of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Clydeplan for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Clydeplan as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of Clydeplan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Clydeplan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Treasurer and Clydeplan for the financial statements

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

In preparing the financial statements, the Treasurer is responsible for assessing Clydeplan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue Clydeplan operations.

Clydeplan is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of Clydeplan;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of Clydeplan;
- inquiring of the Treasurer concerning Clydeplan's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Clydeplan's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on other requirements

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

We have audited the parts of the Remuneration Report described as audited. In our opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Gary Devlin, (for and on behalf of Azets Audit Services),
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Comprehensive Income and Expenditure Statement

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

2021/22				2022/23		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
586,030	0	586,030	Employee Costs	444,231	0	444,231
2,295	0	2,295	Premise Costs	(2,704)	0	(2,704)
25,773	0	25,773	Supplies & Services	37,243	0	37,243
24,050	0	24,050	Support Costs	24,015	0	24,015
2,728	0	2,728	Transfer Payments	49,637	0	49,637
442	0	442	Transport Costs	183	0	183
0	(49,944)	(49,944)	Other Income	0	(3,460)	(3,460)
641,318	(49,944)	591,374	Cost of Services	552,605	(3,460)	549,145
			Financing and Investment Income and Expenditure			
0	(337)	(337)	Interest receivable	0	(4,661)	(4,661)
9,000	0	9,000	Pension interest cost/ (income)	0	(4,000)	(4,000)
			Taxation and Non-Specific Grant Income			0
0	(419,500)	(419,500)	Requisitions from Member Authorities 8	0	(547,000)	(547,000)
650,318	(469,781)	180,537	(Surplus)/Deficit on the Provision of Services	552,605	(559,121)	(6,516)
			Other Comprehensive Income & Expenditure			
		(650,000)	Actuarial (Gain)/Loss on pension assets and liabilities 10			64,000
		(469,463)	Total Comprehensive Income and Expenditure			57,484

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

Movement in Reserves Statement

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

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2022		(314,108)	(161,895)	(476,003)
Total Comprehensive Income and Expenditure		(6,516)	64,000	57,484
Adjustment between accounting basis and funding basis under regulation	5	(68,647)	68,647	0
Increase or (decrease) in year		(75,163)	132,647	57,484
Balance at 31 March 2023 carried forward		(389,271)	(29,248)	(418,519)

Comparative movements in 2021/22	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2021		(383,872)	377,332	(6,540)
Total Comprehensive Income and Expenditure		180,537	(650,000)	(469,463)
Adjustments between accounting basis and funding basis under regulations	5	(110,773)	110,773	0
Increase or (decrease) in year		69,764	(539,227)	(469,463)
Balance at 31 March 2022 carried forward		(314,108)	(161,895)	(476,003)

Balance Sheet

The Balance Sheet shows the value as at 31 March 2023 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

As at 31 March 2022 £		Note	As at 31 March 2023 £
315,265	Funds held by Renfrewshire Council		402,148
3,535	Debtors and Prepayments	6	359
318,800	Current Assets		402,507
(10,797)	Creditors And Accruals	7	(15,984)
(10,797)	Current Liabilities		(15,984)
168,000	Pension Asset	10	32,000
168,000	Long Term (Liabilities) / Assets		32,000
476,003	Net Assets / (Liabilities)		418,519
(314,108)	Usable Reserves		(389,271)
(161,895)	Unusable Reserves	3	(29,248)
(476,003)	Total Reserves		(418,519)

The unaudited accounts were issued on 12 June 2023 and the audited accounts were authorised for issued on 26 September 2023.

Alastair MacArthur
Treasurer

Note 1: Expenditure Funding Analysis

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committees financial performance on a funding basis and the Surplus or deficit on the Provision of Service in the Comprehensive Income and Expenditure statement.

2022/23	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	371,584	76,000	(3,353)	444,231
Property Costs	(2,704)	0	0	(2,704)
Supplies and Services	37,243	0	0	37,243
Support Costs	24,015	0	0	24,015
Transfer Payments	49,637	0	0	49,637
Transport Costs	183	0	0	183
Other Income	(8,121)	0	4,661	(3,460)
Cost of Services	471,837	76,000	1,308	549,145
Other income and expenditure	(547,000)	(4,000)	(4,661)	(555,661)
(Surplus)/Deficit on the Provision of Service	(75,163)	72,000	(3,353)	(6,516)

2021/22	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	484,257	105,000	(3,227)	586,030
Premises Costs	2,295	0	0	2,295
Supplies & Services	25,773	0	0	25,773
Support Costs	24,050	0	0	24,050
Transfer Payments	2,728	0	0	2,728
Transport Costs	442	0	0	442
Other Income	(50,281)	0	337	(49,944)
Cost of Services	489,264	105,000	(2,890)	591,374
Other income and expenditure	(419,500)	9,000	(337)	(410,837)
(Surplus)/Deficit on the Provision of Service	69,764	114,000	(3,227)	180,537

Note 2: Accounting Standards Issued not Adopted

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

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

Note 3: Unusable Reserves

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 Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds.

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

2021/22 £	Pension Reserve	2022/23 £
368,000	Balance as at 1 April	(168,000)
(650,000)	Actuarial (Gain)/Loss on pension assets and liabilities	(1,526,000)
0	Restriction to pension asset ceiling	1,590,000
114,000	Reversal of items relating to retirement benefits charged to the Surplus or Deficit on the Provision of Services in the CIES	72,000
(168,000)	Balance as at 31 March	(32,000)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for short-term accumulating compensated absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate. This means that where employees' full holiday entitlement has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from the Employee Statutory Adjustment Account.

2021/22 £	Employee Statutory Adjustment Account	2022/23 £
9,332	Balance as at 1 April	6,105
(9,332)	Reversal of prior year accrual for short-term accumulating compensated absences	(6,105)
6,105	Recognition of the accrual for short-term accumulating compensating absences at 31 March	2,752
6,105	Balance as at 31 March	2,752

Note 4: Events after the Balance Sheet date

Events taking place after the authorised for issue date per the Balance Sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserves was £69k less than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Joint Committee's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2022/23	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(130,000)	130,000
Employers contributions payable to the Strathclyde Pension Fund	58,000	(58,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	3,353	(3,353)
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(68,647)	68,647

2021/22	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(180,000)	180,000
Employers contributions payable to the Strathclyde Pension Fund	66,000	(66,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	3,227	(3,227)
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(110,773)	110,773

Note 6: Debtors

As at 31 March 2022 £		As at 31 March 2023 £
	Short-term Debtors	
1,215	Prepayments	359
2,320	Other receivables	0
3,535	Total	359

Note 7: Creditors

As at 31 March 2022 £		As at 31 March 2023 £
	Short-term Creditors	
(6,105)	Trade Payables	(10,372)
(4,692)	Other Payables	(5,612)
(10,797)	Total	(15,984)

Note 8: Related parties

The Joint Committee's related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint Committee 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 Joint Committee.

Elected member interests in related parties

Under the relevant Codes of Conduct, elected members and senior officials must declare any registered interests in any bodies or organisations.

Each member's Register of Interest can be found by searching for an individual councillor on each of their respective Council's websites.

Elected Members and senior officers

Members of the Joint Committee and senior officers have control over Clydeplan'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 2022/23 is shown in the Remuneration Report on page 10.

There is no specific remuneration paid to elected members by Clydeplan.

The Joint Committee consists of the following elected members at 31 March 2023:

East Dunbartonshire Council	Alan Moir
East Dunbartonshire Council	Jim Gibbons
East Renfrewshire Council	Colm Merrick
East Renfrewshire Council	Paul Edlin
Glasgow City Council	Ken Andrew
Glasgow City Council	Kenny McLean
Inverclyde Council	Chris Curley
Inverclyde Council	David Wilson
North Lanarkshire Council	Allan Stubbs
North Lanarkshire Council	Tom Fisher
Renfrewshire Council	Jim Paterson
Renfrewshire Council	John McNaughtan
South Lanarkshire Council	Richard Nelson
South Lanarkshire Council	Robert Brown
West Dunbartonshire Council	Gurpreet Singh Johal
West Dunbartonshire Council	Lawrence O'Neill

Key Related Parties – member authorities

The Joint Committee is comprised of the following eight member authorities:

- East Dunbartonshire Council;
- East Renfrewshire Council;
- Glasgow City Council;
- Inverclyde Council;
- North Lanarkshire Council;
- Renfrewshire Council;
- South Lanarkshire Council; and,
- West Dunbartonshire Council.

The member authorities of the Joint Committee have contributed requisitions in the following proportions to enable the Joint Committee to carry out its objectives. The Joint Committee in turn pays Renfrewshire Council for support services.

2021/22 £	Council	%	2022/23 £
52,437.50	East Dunbartonshire	12.5%	68,375.00
52,437.50	East Renfrewshire	12.5%	68,375.00
52,437.50	Glasgow City	12.5%	68,375.00
52,437.50	Inverclyde	12.5%	68,375.00
52,437.50	North Lanarkshire	12.5%	68,375.00
52,437.50	Renfrewshire	12.5%	68,375.00
52,437.50	South Lanarkshire	12.5%	68,375.00
52,437.50	West Dunbartonshire	12.5%	68,375.00
419,500.00	GCVSDPA Funding	100.0%	547,000.00

Renfrewshire Council is the lead authority for Clydeplan, providing Treasurer and Clerking services, as well as support services, such as HR, Legal and Internal Audit. Clydeplan has a service level agreement with Renfrewshire Council that sets out how much this support should cost each year. In 2-22/23, Clydeplan paid Renfrewshire Council £23,200 for support services (2021/22 £23,200).

Clydeplan received £8k from Renfrewshire Council for interest earned on cash balances (reserves) held by the Council on its behalf.

There were no further material transactions between Clydeplan 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 Clydeplan. Information about transactions during the year and outstanding assets and liabilities in relation to Clydeplan's pension fund can be found in Note 10: Retirement Benefits.

There were no other material transactions between Clydeplan and other public bodies.

Note 9: External audit costs

2021/22 £		2022/23 £
3,120	Fees payable with regard to external audit services carried out by the appointed auditor	5,780
3,120	Total	5,780

Note 10: Retirement Benefits

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The scheme for employees is the Strathclyde Pension Fund which is administered by Glasgow City Council. This is a "funded" defined benefit scheme meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liability with investment assets.

The principal risks to the scheme are assumptions relating to longevity, inflation, and investment performance; in addition, statutory changes to the scheme. These risks are mitigated to an extent by statutory requirements limiting charges to the Council's general fund. The Council has additional liabilities for unfunded discretionary pension payments outside the main schemes such as arrangements for the award of discretionary post-employment benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

10a: Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions. The following transactions have been made in the accounting statements in 2022/23:

2021/22 £		2022/23 £
	Comprehensive Income and Expenditure Statement (CIES)	
171,000	Current service cost	134,000
171,000		134,000
	Financing and Investment Income and Expenditure	
9,000	Net interest	(4,000)
180,000	Post-employment benefit charged to the Surplus/Deficit on the Provision of Services	130,000
	Other post-employment benefits charged to the CIES	
(274,000)	Return on assets excluding amounts included in net interest	220,000
(376,000)	Actuarial (gains)/losses arising on changes in financial assumptions	(1,746,000)
(650,000)	Total Actuarial (Gain)/Loss	(1,526,000)
(470,000)	Total post employment benefit charged to the CIES	(1,396,000)
	Movement in Reserves Statement	
536,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	1,454,000
66,000	Employers Contributions paid to Strathclyde Pension Fund	58,000

Notes

- **Current service cost** is the cost of future entitlements to pension payments to current employees.
- **Past service cost** is the estimated increase in liabilities arising from current decisions that relates to years of service earned prior to this year.
- In addition to the recognised gains and losses included in the CIES, an actuarial gain of (£1.526m) is included in the **Movement in Reserves Statement** (£650k 2021/22).
- **Net interest** is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2022/23 these amounted to £9,449 (2021/22 £9,171).

10b: Assets and liabilities in relation to retirement benefits

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

2021/22 £000		2022/23 £000
5,130	Opening Present Value	4,976
171	Current service cost	134
104	Interest Cost	135
25	Employee Contributions	21
(78)	Benefits Paid	(80)
	Remeasurement (gains)/losses:	
(376)	Actuarial (gains)/losses arising from changes in financial assumptions	(1,746)
4,976	Closing Present Value	3,440

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

2021/22 £000		2022/23 £000
4,762	Opening Fair Value	5,144
95	Interest Income	139
66	Contributions from employer	58
25	Contributions from employee	21
(78)	Benefits Paid	(80)
	Remeasurement gain/(loss):	
274	Return on assets excluding amounts included in net interest	(220)
5,144	Closing Fair Value	5,062

10c: Fund history

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Present Value of Liabilities	(4,881)	(4,327)	(5,130)	(4,976)	(3,440)
Fair value of assets	4,295	4,125	4,762	5,144	5,062
Restriction to asset ceiling	0	0	0	0	(1,590)
Surplus/(deficit) in the scheme	(586)	(202)	(368)	168	32

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy. The total pension asset value of £1.622m has a significant impact on the net worth of the Joint Committee as recorded in the Balance Sheet. Any deficit on the Strathclyde Pension Fund would be addressed by increasing contributions over the remaining working life of employees, as assessed by the Fund actuary. However, this surplus of scheme assets is restricted to the 'asset ceiling' i.e., the net

present value of future service costs less net present value of future contributions over the future working lifetime as at 31 March 2023. This ceiling, or cap, has been calculated to be £32k.

The total contributions expected to be made by the Joint Committee to Strathclyde Pension Fund in the year to 31 March 2024 is £58k.

10d: Basis for estimating assets and liabilities

The pension scheme's assets consist of the following categories, by proportion of the total assets held:

2021/22 £000		%	2022/23 £000
1,133	Equity Securities	19.7%	998
1,007	Private Equity	24.6%	1,244
434	Real Estate	8.2%	417
2,439	Investment Funds and	45.6%	2,307
131	Cash & Cash Equivalents	1.9%	96
5,144		100.0%	5,062

The Joint Committee's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, which estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of Actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2023.

The principal assumptions used by the actuary have been:

2021/22	Mortality assumptions	2022/23
Longevity at 65 for current pensioners (years)		
19.6	Men	19.3
22.4	Women	22.2
Longevity at 65 for future pensioners (years)		
21	Men	20.5
24.5	Women	24.2
2021/22	Other assumptions	2022/23
3.9%	Rate of increase in salaries	3.7%
3.2%	Rate of increase in pensions	3.0%
2.7%	Rate for discounting scheme liabilities	4.8%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The limitations of methods and assumptions used are associated with any changes in market conditions that affect the net discount rate. These can have a significant effect on the value of the obligations reported.

10e: Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions has been set at 19.3% for 2022/23 and 2023/24.

Note 11: Contingent Liabilities

Following two court cases, including Mrs Goodwin v Department for Education, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be in the range of 0.1%-0.2% of gross obligations, which equates to between £5k and £10k for Clydeplan. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 12: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2022/23 financial year and its financial position as at 31 March 2023. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland)

Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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

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

Materiality refers to a level of information or value of such significance that it could influence the decisions or assessments of users of the Annual Accounts by its presence or omission.

B Accruals of Expenditure and Income

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

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- Revenue from the provision of services is recognised when the authority satisfies the performance obligation of the transaction, and it is probable that the economic benefits or service

potential associated with the transaction will flow to the Joint Committee;

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected;
- Suppliers' invoices paid in the one week following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

C Contingent Liabilities

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

- an event has taken place that gives the Committee 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 Joint Committee; or
- a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

D Employee Benefits

Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of

holiday entitlements earned by employees but not taken before the year end; and which employees may carry forward into the next financial year.

Post-employment benefits

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

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in the Strathclyde Pension Fund and a pension reserve. The Comprehensive Income and Expenditure Statement also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate based on the current rate of return available on a high-quality corporate bond of equivalent currency and term to the scheme liabilities.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the

bid price for quoted securities, and estimated fair value for unquoted securities.

E Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statements are authorised for issue. There are two types of events:

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

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

F Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Committee's financial position or financial performance. Where a change is made, it is

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

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

G Government Grants and other Contributions

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

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

Amounts recognised as due to the Joint Committee are not credited to the Comprehensive Income and Expenditure Statement until conditions attaching to the grant or contribution have been satisfied. Monies advanced as grants and contributions are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the Specific Grant Income line in the CIES.

H Non-current Assets

Clydeplan carried out a review during 2021/22 on plant and equipment and intangible assets and deemed that no items currently qualify for recognition. Assets that are held for use in the supply of services or other administrative purposes and are expected to be used for more than one year are classed as property, plant and equipment and intangible assets. Assets costing less than £9,000 are not treated as capital expenditure.

I Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires a settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement. 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.

J Reserves

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

Usable Reserves

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

Unusable Reserves

The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Joint Committee's share of actuarial gains and losses in the Strathclyde Pension Fund and the change in the Joint Committee's share of the Pension Fund net liability chargeable to the CIES.

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the Revenue Reserve from accruing for compensated absences earned, but not taken in the year, e.g., annual leave entitlement carried forward at 31 March each year.

K Value Added Tax

Income and Expenditure excludes any amount relating to Value Added Tax (VAT), as all VAT is payable to HM Revenue & Customs and all VAT is recoverable from them.

Note 13: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension asset of £0.063m, equating to an 2% increase. The carrying value of the pension asset was £1.622m as at 31 March 2023 (capped at £32k). For further details see Note 10: Retirement Benefits.

Note 14: Green Network Partnership

Overview

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) was formed in 2006 to develop a co-ordinated approach that will deliver major improvement in the scale and quality of green network provision across Glasgow Clyde Valley. There is a strong relationship between Clydeplan and the GCVGNP: The Strategic Development Plan Manager and Assistant Manager are Chair and Vice-Chair of the GCVGNP Committee respectively; the Clydeplan Joint Committee acts for its constituent local authorities to agree local authority funding to support the GCVGNP Business Plan; the Clydeplan Joint Committee approves the GCVGNP business plan and revenue estimates, in respect of local authority contributions only; progress against business plan targets are monitored annually by the Joint Committee; the executive team of Clydeplan and GCVGNP share offices in 40 John Street, Glasgow.

As well as the Strategic Development Plan Manager, the GCVGNP committee is comprised of senior employees from the eight local authorities. The relationship between the Clydeplan and the GCVGNP is not a joint arrangement and so outside the scope of IFRS 11 (Joint Arrangements).

Financial Performance

Revenue

GCVGNP has returned a surplus of £2k for the financial year 2022/23 (deficit of £13k in 2021/22). This follows a transfer of £47,500 from Clydeplan to fund a fixed-term Development Officer post. GCVGNP is a significant regional component of the Central Scotland Green Network (CSGN). As a result, the GCVGNP secures additional funding for various projects related to the CSGN. In 2022/23, funding was received from Nature Scotland for two new GCVGNP projects: Clyde Grasslands Development Phase Project and Clyde Peatlands Project totalling (£16k).

Reserves

The Partnership retains financial reserves to offset any liabilities of the Partnership. The following table shows the value of the Partnerships reserves at 31 March 2023. This is analysed into Usable reserves, which is derived from partnership funding and can be used to fund expenditure, and Unusable reserves, which cannot be used to fund expenditure.

		2022/23 £
(99,630)	Usable Reserves	(101,899)
173	Unusable Reserves:	
	Joint Account	1,463
114,000	Pension Reserve	(603,000)
14,543	Total	(703,436)

Budget 2023/24

The 2023/24 budget for GCVGNP was approved by the Clydeplan Joint Committee on 12 December 2022.

The GCVGNP partners have contributed funding in the following proportions to enable it to carry out its objectives:

2021/22 £	Council	%	2022/23 £
5,756	East Dunbartonshire	5.1%	5,756
4,900	East Renfrewshire	4.4%	4,900
31,949	Glasgow City	28.4%	31,949
4,451	Inverclyde	4.0%	4,451
17,825	North Lanarkshire	15.9%	17,825
9,311	Renfrewshire	8.3%	9,311
16,992	South Lanarkshire	15.1%	16,992
5,001	West Dunbartonshire	4.5%	5,001
	Other organisations		
0	Nature Scot	14.4%	16,116
96,185	Total Green Network Partnership Funding	100.0%	112,301