



## Renfrewshire Valuation Joint Board

### Notice of Meeting and Agenda Renfrewshire Valuation Joint Board.

Date	Time	Venue
Friday, 18 November 2022	14:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

MARK CONAGHAN  
Clerk

#### Membership

Councillor Annette Ireland, Councillor Andrew Morrison, Provost Mary Montague and Councillor David Macdonald (East Renfrewshire Council); Councillor Graeme Brooks, Councillor Paul Cassidy, Councillor James Daisley and Councillor Innes Nelson (Inverclyde Council); and Councillor Graeme Clark, Councillor Audrey Doig, Councillor John Hood, Councillor Sam Mullin, Councillor Bruce MacFarlane, Councillor Kenny MacLaren, Councillor Mags MacLaren and Councillor Andy Steel (Renfrewshire Council).

Councillor Audrey Doig (Convener): Councillor Paul Cassidy (Depute Convener)

#### Hybrid Meeting

Please note that this meeting is scheduled to be held in the Council Chambers. However, it is a hybrid meeting and arrangements have been made for members to join the meeting remotely should they wish.

## **Further Information**

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7111.

## **Members of the Press and Public**

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

## Items of business

### Apologies

Apologies from members.

### Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- |          |  |                  |
|----------|--|------------------|
| <b>1</b> | <b>Minute</b>  | <b>5 - 14</b>    |
|          | Minute of meeting of this Joint Board held on 16 September 2022.                           |                  |
| <b>2</b> | <b>Revenue Budget Monitoring</b>   | <b>15 - 18</b>   |
|          | Report by Treasurer.   |                  |
| <b>3</b> | <b>Annual Audit Report on the Annual Accounts 2021/22</b>                                  | <b>19 - 86</b>   |
|          | Report by Treasurer.   |                  |
| <b>4</b> | <b>Electoral Update Report</b>   | <b>87 - 88</b>   |
|          | Report by Assessor & Electoral Registration Officer.                                       |                  |
| <b>5</b> | <b>Non-domestic Rates Reform Update</b>  | <b>89 - 92</b>   |
|          | Report by Assessor & Electoral Registration Officer.                                       |                  |
| <b>6</b> | <b>Non-domestic Appeals</b>  | <b>93 - 106</b>  |
|          | Report by Assistant Assessor & Electoral Registration Officer.                             |                  |
| <b>7</b> | <b>Performance Report</b>  | <b>107 - 110</b> |
|          | Report by Assistant Assessor & Electoral Registration Officer.                             |                  |
| <b>8</b> | <b>Date of Next Meeting</b>  |                  |
|          | Note that the next meeting of the Joint Board will be held at 2.00 pm on 24 February 2023. |                  |





## Renfrewshire Valuation Joint Board

### Minute of Meeting Renfrewshire Valuation Joint Board.

Date	Time	Venue
Friday, 16 September 2022	14:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

#### Present

Councillor Annette Ireland, Councillor Sandra Reynolds (substitute for Councillor Andrew Morrison), Provost Mary Montague and Councillor David Macdonald (East Renfrewshire Council); Councillor Graeme Brooks, Councillor Paul Cassidy and Councillor Innes Nelson (Inverclyde Council); and Councillor Graeme Clark, Councillor Audrey Doig, Councillor Bruce MacFarlane, Councillor Kenny MacLaren, Councillor Mags MacLaren and Councillor Andy Steel (Renfrewshire Council).

#### Chair

Councillor Audrey Doig, Convener, presided.

#### In Attendance

R Nicol, Assessor & Electoral Registration Officer and L Hendry, Assistant Assessor & Electoral Registration Officer (both Renfrewshire Valuation Joint Board); M Conaghan, Head of Corporate Governance (Clerk), C McCourt, Head of Finance & Business Services, E Currie and E Gray, both Senior Committee Services Officers, K Festorazzi, Principal Accountant and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council); and K Graham, Trainee Auditor (Audit Scotland).

#### Apologies

Councillor Andrew Morrison (East Renfrewshire Council); Councillor James Daisley (Inverclyde Council); and Councillor John Hood and Councillor Sam Mullin (Renfrewshire Council).

## **Declarations of Interest**

There were no declarations of interest intimated prior to the commencement of the meeting.

## **Her Majesty Queen Elizabeth II**

A minute's silence was held as a mark of respect following the recent death of Her Majesty Queen Elizabeth II.

## **Additional Item**

The Convener intimated that there was an additional item of business in relation to HM Queen Elizabeth II's State Funeral which had not been included in the notice calling the meeting. The Convener, being of the opinion that the item which is dealt with at item 1 below, was urgent, authorised its consideration.

### **1 HM Queen Elizabeth II's State Funeral**

There was submitted a report by the Assessor & Electoral Registration Officer relative to the Royal Proclamation issued by HM King Charles III on 10 September 2022 announcing that following the sad passing of HM Queen Elizabeth II the date of the state funeral, Monday 19 September would be a bank holiday.

The report intimated that the declaration of a bank holiday did not give a statutory entitlement to time off, however, the Joint Board's lead authority, in common with many local authorities had decided to only provide essential services on Monday 19 September to allow their staff to pay their respects to Her Majesty and commemorate her reign, while marking the final day of the period of national mourning.

The report advised that the Assessor & Electoral Registration Officer did not consider the Joint Board's functions to be essential on that date and the report proposed that the Joint Board's offices be closed on Monday 19 September.

**DECIDED:** That the closure of the Joint Board's offices on Monday 19 September be approved.

### **2 Minute**

There was submitted the Minute of the meeting of the Joint Board held on 10 June 2022.

**DECIDED:** That the Minute be approved.

### 3 **Revenue Budget Monitoring**

There was submitted a revenue budget monitoring report by the Treasurer in respect of the Joint Board for the period 1 April to 19 August 2022.

The report intimated that at the end of period 5, the Joint Board was underspent by £921,000 and was projected to overspend by £6,000 by the end of the financial year, as detailed in section 4 of the report.

It was noted that there had been no budget adjustments since the start of the financial year.

**DECIDED:** That the report be noted.

### 4 **Electoral Update Report**

There was submitted a report by the Assessor & Electoral Registration Officer relative to the current position in relation to electoral registration.

The report intimated that the 2022 canvass commenced on 4 July 2022 with the publication of the revised register due to take place by 1 December 2022; the start of the canvass national data matching of the register to DWP records took place on 6 June 2022, with local data matching following; where an email address was held, the initial contact would be by email and if no response was received, this would be followed up by letter with the final stage being household visits where no response had been received. It was noted that where all the electors in a household were data matched, a CCA letter had been issued and that this letter did not require a response unless the information was incorrect. A total of 101,639 CCA letters had been issued. In circumstances where not all the electors in a household were data matched, a CCB letter had been issued which required a response and 39,680 CCB letters had been issued. The final stage of the canvass was a visit to a property for those households where a response was required but not received. This stage began in August 2022 and would involve visits to 23,246 properties.

The report advised that the Elections Act 2022 received Royal Assent on 28 April 2022 with the provisions of the Act coming in force at various times. It was noted that the main provisions that would impact the Joint Board would be the requirement for voter ID for UK parliamentary elections, due to come into force on 1 December 2022 but due to delays in secondary legislation would likely come into force in January 2023; changes to the postal voting application process for UK parliamentary elections; and changes to the eligibility to be registered as an overseas voter.

The report further advised that Boundaries Scotland had commenced a second review of the constituencies and regions of the Scottish Parliament on 1 September 2022 and that provisional proposals for consultation were expected in spring 2023 with the final report due by 1 May 2025. If approved, the new boundaries would be effective at the next Scottish Parliament election scheduled to take place in May 2026.

The report noted that the contracts for both the electoral management system (EMS) and print and scan services were due for renewal during the first quarter of 2023 and that discussions were ongoing with Renfrewshire Council's corporate procurement unit. The outcome of these procurements would be reported to the Joint Board.

**DECIDED:** That the contents of the report be noted.

## 5 **Performance Report**

There was submitted a report by the Assistant Assessor & Electoral Registration Officer providing an update to the reporting of performance for the first three months of the rating year to inform on the current performance and workload issues facing the Joint Board.

The report detailed the performance in Council Tax and non-domestic valuation against set targets. In relation to Council Tax valuation, it was noted that the addition of new houses to the Valuation List and the deletion of demolished houses remained a priority with the time taken to enter new houses into the Valuation (Council Tax) List exceeding the targets of 95% within three months and 97% within six months, by achieving 98.54% and 99.58% respectively.

The report also detailed the average number of days taken to add a house in each constituent authority area and also the number of deletions from the Valuation (Council Tax) List between 1 April and 30 June 2022.

The report set out the time taken to make statutory amendments to the Valuation Roll, excluding appeal settlements and amendments to the prescribed entries, between 1 April and 30 June 2022 by constituent authority area, which exceeded the targets of 50% to be actioned within three months and 75% within six months, by achieving 84.21% and 87.37% respectively.

The report noted that the current performance was above the targets set for this year however, this might diminish due to issues with recruitment and retention of staff in conjunction with the demands placed on the organisation as all members of the valuation team were heavily involved with the preparation of draft values for the 2023 revaluation which required to be published by 30 November 2022.

On behalf of the Joint Board, the Convener thanked staff for the work undertaken in dealing with statutory amendments to the Valuation List for Council Tax and the Valuation Roll.

**DECIDED:** That the content of the report be noted.

## 6 **Non-domestic Appeals**

There was submitted a report by the Assistant Assessor & Electoral Registration Officer advising on the appeal process and progress on disposal of revaluation appeals and running roll appeals received since the 2017 revaluation.

The report intimated that a five-yearly revaluation process had been introduced by the Valuation and Rating (Scotland) Act 1956 and this required the Assessor to value, or revalue, all the lands and heritages in the valuation area. These valuations were totally fresh and need bear no relation to the value applied in the preceding seven years.

The revaluation brought with it a fresh right of appeal which had to be exercised within a six-month period starting from 1 April in the year of the revaluation or within six months of the date of issue of the Valuation Notice, whichever was later. These appeals must be disposed of within time limits prescribed in the Timetable Order which currently stated by the end of the third year following revaluation, this being 31 December 2020. However, the Scottish Government had extended the disposal date for 2017 revaluation appeals until 31 December 2021. It was noted that the Assessor had discharged this statutory duty with only a small number of outstanding revaluation appeals being referred to the Lands Tribunal prior to the disposal date.

The report provided an update in relation to the right of appeal; negotiation of appeals; the Local Valuation Appeal Committee; revaluation appeals; the disposal of 2017 revaluation appeals; the disposal of running roll appeals; and the disposal of other outstanding appeals.

Appendix 1 to the report detailed the number of revaluation appeals received, disposed of and outstanding by constituent authority and the Joint Board area as at 30 June 2022. Appendix 2 to the report detailed the number of running roll appeals received on or after 1 March 2020, outlining those dealt with in each constituent authority and the Joint Board area as at 30 June 2022.

The report advised that the disposal of appeals was a major component of the work undertaken by the Assessor's valuation staff and was work that could be stressful due to the strict legislative timetables and the adversarial nature of the negotiations. The report congratulated staff in disposing of the 2017 revaluation appeals within the statutory disposal date of 31 December 2021 with the small number of appeals being referred to the Lands Tribunal and thanked them for their commitment and professionalism in rising to this challenge and successfully delivering the service. The report further advised that despite the legislation laid before the Scottish Government to ensure that no account could be taken of any matter occurring on or after 2 April 2020, whether directly or indirectly attributable to coronavirus, it would be a challenge to dispose of the outstanding Covid MCC appeals. The management team would ensure all required support was available to staff to assist them in this highly unusual set of circumstances.

On behalf of the Joint Board, the Convener thanked staff for the work undertaken in disposing of appeals.

**DECIDED:** That the contents of the report be noted.

## 7 **Non-domestic Rates Reform Update**

Under reference to item 12 of the Minute of the meeting of the Joint Board held on 10 June 2022, there was submitted a report by the Assessor & Electoral Registration Officer relative to developments and expenditure arising from the Barclay Review.

The report intimated that the Non-domestic Rates (Scotland) Act 2020 and associated regulations were the main legislative means for introducing the non-domestic rates reforms recommended by the Barclay Review and the six main Barclay recommendations reflected in the Act were detailed in the report.

The report further intimated that the Scottish Assessor's Association (SAA) had regular contact with the Scottish Government to ensure a consistent approach. Assessors would continue to work jointly to ensure delivery of all new duties and would support ongoing development of the SAA Portal which provided information to ratepayers and their agents. Assessors had submitted plans to the Scottish Government detailing the actions being taken to ensure that all Barclay recommendations would be fully implemented and delivered within legislative timelines. These plans had now been approved and covered the period up to 2025 by which time all the recommendations of the Barclay review would be in place.

In relation to staffing, the report advised that during July, two valuer/trainee valuer positions had been advertised and that whilst no qualified valuers applied, two trainee valuers had been recruited. These appointments had created vacancies for two technicians/trainee technicians and the recruitment process had commenced; a recruitment process for a vacant senior surveyor post had been carried out with only one application received which had been withdrawn shortly after being submitted; a senior valuer and a trainee valuer had tendered their resignations and the recruitment process would begin soon; and that discussions were taking place with Renfrewshire Council HR advisers in an effort to identify ways in which these posts could be more attractive to assist with both retention and recruitment, however, it was noted that this was an issue facing all valuation joint boards.

The report advised that the next non-domestic revaluation was due in April 2023 with a tone date of April 2022, the date to which all valuations were tied to ensure all non-domestic properties were valued at the same point in time; work was underway to ensure that local systems were in place to assist the valuation staff in undertaking the analysis of rental information and the revaluation of the 14,000 non-domestic subjects within valuation rolls of the Joint Board area; the Valuation Timetable Amendment Order 2022 came into force on 6 May 2022 which added the requirement to publish a draft Valuation Roll on 30 November in the year preceding a revaluation; the Non-domestic Rates (Valuation Notices) (Scotland) Regulations 2022 came into force on 15 June 2022 and placed a new duty on the Assessor to issue draft Valuation Notices after 30 November; and that work was ongoing to identify lands and heritages within public parks that were exempt from entry in the valuation roll due to section 19 of the Local Government (Financial Provisions) (Scotland) Act 1963 that might no longer be exempt once section 5 of the Non-domestic Rates (Scotland) Act 2020 comes into force on 1 April 2023. Further that the Assessor continued to contribute to and benefit from working with other Assessors throughout Scotland via the Scottish Assessors Association (SAA) to establish values for properties where the valuation evidence was national rather than local.

In relation to changes to the appeals system, the report advised that the transfer of the Local Appeal Committees into the Scottish Courts and Tribunals Service was due to take place from 1 January 2023; that the Valuation (Proposals Procedure) (Scotland) Regulations 2022, Valuation Timetable (Scotland) Order 2022 and Valuation Roll and Valuation Notice (Scotland) Order 2022 were scheduled to be laid before parliament on 7 October 2022 and would, amongst other things, provide clarity on the new two-stage proposal/appeal process due to begin on 1 January 2023; the Judicial Appointments Board for Scotland was currently recruiting and training Ordinary, Legal and Surveyor members to allow tribunals to operate from 1 January 2023; and that Ms Jacqui Taylor, Secretary of the Renfrewshire Valuation Appeal Panel had been appointed as the temporary President of the Local Taxation Chamber of the First-tier Tribunal for Scotland.

In relation to self-catering properties, it was noted that the legislation changed with effect from 1 April 2022 and that, to be classed as a non-domestic property, owners of self-catering properties would now be required to provide evidence of 70 days actual letting as well as 140 days intention to let. The letting must be on a commercial basis with a view to making a profit. In this regard, the Assessor wrote to owners of all self-catering properties within the Joint Board area to inform them of the change and would be requesting the required evidence towards the end of 2022.

In relation to information gathering powers, it was noted that the Assessor now had new powers to issue Assessor Information Notices (AINs) which, if not responded to, could lead to the Assessor issuing a Civil Penalty to the non-responder(s). The issuing of these AINs had begun and return of these would be closely monitored with Civil Penalties being issued where necessary. Renfrewshire Council's sundry debt team would assist in the collection of any Civil Penalties with the revenue raised being paid to the Scottish Government's Consolidated Fund, net of costs. These processes would be kept under review and the Scottish Government would be advised of any monies due to them.

The report further intimated that development of the IT valuation system continued with the aim of going live at a suitable time for service delivery.

Members noted with concern the ongoing issues in relation to the recruitment and retention of staff. The Assessor & Electoral Registration Officer advised members that he would be discussing these issues with Renfrewshire Council HR advisers.

**DECIDED:** That the report and concerns in relation to the recruitment and retention of staff be noted.

## 8 **Progress Update Review Report - Records Management Plan**

There was submitted a report by the Assistant Assessor & Electoral Registration Officer relative to the Joint Board's Progress Update Review Report, a copy of which was appended to the report.

The report intimated that in January 2022, the Public Records Scotland Act Assessment Team invited Renfrewshire Valuation Joint Board to complete their annual Progress Update Review (PUR). The completion of the PUR enabled authorities to be credited for the process in any future developments identified in the Records Management Plan (RMP) and also ensured the RMP was kept under review in line with section 5(1)(a) of The Public Records Act 2011.

It was noted that the Progress Update Review Report set out the findings of the Assessment Team and that it had been published on the Joint Board's website.

**DECIDED:** That the report be noted.

## 9 **Risk Management Strategy Policy**

There was submitted a report by the Assistant Assessor & Electoral Registration Officer relative to a review of the Joint Board's Risk Management Strategy, a copy of which was appended to the report.

The report intimated that risk management was an integral part of the management team's policy planning and operational management. The Risk Management Strategy had been reviewed in conjunction with the review of the Corporate Risk Register and sets out policy in respect of business risk and ensured a uniform approach to identifying, analysing, controlling and monitoring risk.

**DECIDED:** That the contents of the report be noted.

## 10 **Corporate Risk Register**

Under reference to item 10 of the Minute of the meeting of this Joint Board held on 25 February 2022, there was submitted a report by the Assistant Assessor & Electoral Registration Officer relative to the Joint Board's Corporate Risk Register, a copy of which was appended to the report.

The report intimated that the Corporate Risk Register had been reviewed in line with the Joint Board's agreed review cycle and that the risks had been evaluated in line with the Joint Board's Risk Management Strategy and in consultation with Renfrewshire Council's Risk Manager. The evaluation of each risk shown reflected the significance of each risk's impact and the likelihood of occurrence combined with the mitigations and controls identified by the management team.

**DECIDED:** That the contents of the report be noted.

## 11 **Trade Union Facility Time Reporting**

There was submitted a report by the Assistant Assessor & Electoral Registration Officer relative to trade union facility time reporting.

The report intimated that The Trade Union (Facility Time Publication Requirements) Regulations 2017 required public sector employers who had full time equivalent employee numbers of more than 49 to publish information relating to facility time taken by union representatives.

The report advised that although the Joint Board was not, at present, legally required to publish this information, as the number of full-time equivalent staff was below the required level, it had been considered appropriate to voluntarily publish the information in the interests of transparency. Data had been collated under the relevant regulations and information relating to facility time for 2021/22 and 2020/21 was appended to the report.

**DECIDED:** That the contents of the report be noted.

## 12 **Arrangements for Future Meetings**

Under reference to item 15 of the Minute of the meeting of this Joint Board held on 10 June 2022, there was submitted a report by the Clerk relative to arrangements for future meetings.

The report intimated that at the meeting held on 10 June 2022, members agreed the timetable of meetings for 2022 to 2027 and further agreed that the Clerk, in consultation with the Convener, investigate whether hybrid meetings could be facilitated in both East Renfrewshire Council and Inverclyde Council offices and requested that the Clerk submit a report to this meeting relative to arrangements for future meetings.

The report set out the outcome of the discussions that had taken place with East Renfrewshire and Inverclyde Councils and requested that members consider the proposed arrangements for meetings of the Joint Board between 2022 to 2027 as detailed in paragraphs 3.4 to 3.6 of the report.

**DECIDED:**

(a) That it be agreed that hybrid meetings of the Joint Board be held in the offices of (i) East Renfrewshire Council in September of each year, starting from September 2023 and (ii) Inverclyde Council in November of each year, starting November 2023; and

(b) That the Clerk be requested to finalise arrangements and look again at the Joint Board's hybrid meeting policy to establish that it met the requirements of the Joint Board, if meeting in three different locations, and report back to the next meeting of the Joint Board to be held on 18 November 2022.

13 **Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Joint Board would be held at 2.00 pm on 18 November 2022 and that this be a hybrid meeting in the offices of Renfrewshire Council.



## RENFREWSHIRE VALUATION JOINT BOARD

**To:** Renfrewshire Valuation Joint Board

**On:** 18 November 2022

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**Report by:** The Treasurer

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**Heading:** Revenue Budget Monitoring Report to 14 October 2022

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### 1. Summary

- 1.1 At the end of Period 7, Renfrewshire Valuation Joint Board (the Board) was underspent by £511,000. The Board is projected to underspend by £70,000 against budget by the end of the financial year; detail is provided in Section 4.
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### 2 Recommendations

- 2.1 It is recommended that the Board considers the report.
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### 3 Budget Adjustments

- 3.1 There have been no budget adjustments since the start of the financial year.
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### 4 Budget Performance

#### 4.1 Year-to-Date Position: Net underspend of £155,000

The current underspend largely relates to unfilled vacancies within employee costs.

#### 4.2 Projected Year-end Position: Net underspend of £70,000

The budget approved in February 2022 included a drawdown from reserves of £91,000. Based on current projections, it is anticipated that the Board will draw down £21,000 from reserves this financial year, resulting in a favourable variance of £70,000.

Since the last Board, dated 16 September 2022, there have been further savings in employee cost, mainly due to vacancy management and the reversal of the 1.25% Social Care NI Levy from 6 November. There has also been a reduction in Supplies and Services costs, resulting from the implementation of a new telephony system.

These efficiencies have offset the increase of £69,000 in employee costs arising from the recently agreed pay settlement for 2022/23, as well as energy cost increases.

All projections will continue to be monitored closely through the remainder of the financial year, with regular updates provided to the Board.

**RENFREWSHIRE VALUATION JOINT BOARD**  
**REVENUE BUDGET MONITORING STATEMENT 2022/23**

**1 April 2022 to 14 October 2022**

Description	Approved Annual Budget	Budget to Date	Actual to Date	Variance to Date (Adverse) / Favourable	Projected Full Year Actual	Projected Full Year Variance (Adverse) / Favourable
£000	£000	£000	£000	£000	£000	£000
Employees	2,197	1,174	1,029	144	2,140	58
Premises Related	188	96	90	7	191	(4)
Supplies and Services	428	211	212	(1)	412	16
Support Services	99	9	8	0	101	(2)
Transfer Payments	23	6	4	2	25	(2)
Transport Related	17	9	2	7	13	4
Depreciation and Impairment Losses	0	0	0	0	0	0
<b>Gross Expenditure</b>	<b>2,952</b>	<b>1,505</b>	<b>1,345</b>	<b>160</b>	<b>2,882</b>	<b>70</b>
Contributions from Local Authorities Core	(2,342)	(1,358)	(1,358)	0	(2,342)	0
Contributions from Local Authorities Barclay	(492)	(492)	(492)	0	(492)	0
Other Income	(27)	(9)	(6)	(4)	(27)	0
<b>Gross Income</b>	<b>(2,861)</b>	<b>(1,859)</b>	<b>(1,856)</b>	<b>(4)</b>	<b>(2,861)</b>	<b>0</b>
<b>TRANSFER (TO)/FROM RESERVES</b>	<b>91</b>	<b>(354)</b>	<b>(511)</b>	<b>155</b>	<b>21</b>	<b>70</b>

	<b>£000</b>
<b>Opening Revenue Reserve at 1 April 2022</b>	<b>(672)</b>
Budgeted contribution from Reserves	91
Projected year-end variance	(70)
<b>Projected Revenue Reserve at 31 March 2023</b>	<b>(651)</b>



**RENFREWSHIRE VALUATION JOINT BOARD**

**To:** Renfrewshire Valuation Joint Board

**On:** 18 November 2022

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**Report by:** The Treasurer

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**Heading:** Annual Audit Report on the Annual Accounts 2021/22

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## 1. Summary

- 1.1 At the meeting of the Renfrewshire Valuation Joint Board (the Board) on 10 June 2022 a report on the unaudited accounts for the year ended 31 March was noted.
  - 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. For 2021/22, the Local Government Finance Circular 6/2022: Extension to Accounts Approval and Publication Dates for 2021-22 provided flexibility to this deadline, extending it to 30 November.
  - 1.3 Section 10 of the 2014 regulations requires the Board to consider any report made by the appointed auditor before deciding whether to sign the audited accounts. The findings of the appointed auditor, Audit Scotland, are presented in the Annual Audit Report, which can be found at Appendix 1.
  - 1.4 There was one significant adjustment made to the accounts during the course of the audit. It amounted to £80,000 and relates to the disclosure of pension liability in connection with Guaranteed Minimum Pension rules. Further detail can be found in Note 2 of the annual accounts at Appendix 2. There were other minor and presentational changes made to the annual accounts over the course of the audit.
  - 1.5 Following approval, the audited accounts will be submitted to the Convener, Treasurer and Assessor and ERO for secure digital signature.
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## 2 Recommendations

- 2.1 It is recommended that members:
    - (a) Note the findings of the 2021/22 audit as contained in the Annual Audit Report (Appendix 1); and
    - (b) Approve the 2021/22 Audited Annual Accounts (Appendix 2) for signature.
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## Appendix 1

102 West Port  
Edinburgh  
EH3 9DN

8 Nelson Mandela Place  
Glasgow  
G2 1BT

The Green House  
Beechwood Business Park North  
Inverness  
IV2 3BL

T: 0131 625 1500

E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



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## Renfrewshire Valuation Joint Board

**18 November 2022**

### Renfrewshire Valuation Joint Board Audit of 2021/22 annual accounts

#### Independent auditor's report

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to the satisfactory conclusion of the outstanding matters referred to later in this letter and receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 18 November 2022 (the proposed report is attached at [Appendix A](#)).

#### Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Renfrewshire Valuation Joint Board's consideration our draft Annual Audit Report on the 2021/22 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice. As outlined in our Annual Audit Plan, due to the nature and size of Renfrewshire Valuation Joint Board, we have assessed the extent of wider dimensions work and concluded that a reduced scope can be applied.

4. This report will be issued in final form after the annual accounts have been certified.

#### Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature, and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

#### Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Renfrewshire Valuation Joint Board we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

## Representations from Section 95 Officer

**8.** As part of the completion of our audit, we are seeking written representations from the Section 95 Officer, the Treasurer, on aspects of the annual accounts, including the judgements and estimates made.

**9.** A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Treasurer with the signed annual accounts prior to the independent auditor's report being certified.

## Outstanding matters

**10.** There is one area where we still require additional information in relation to staff costs. A sample of payroll transactions has been selected for testing substantively. We are awaiting receipt of the payslips required to complete this work.

# Renfrewshire Valuation Joint Board

2021/22 Annual Audit Report - PROPOSED



 AUDIT SCOTLAND

Prepared for Renfrewshire Valuation Joint Board and the Controller of Audit  
November 2022

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# Key messages

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## 2021/22 annual accounts

- 1 Renfrewshire Valuation Joint Board's financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- 2 The Management Commentary, the Annual Governance Statement, and the audited part of the Remuneration Report were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

## Financial sustainability and Annual Governance Statement

- 3 A deficit of £3,084 for the financial year 2021/22 was achieved, compared to a budgeted breakeven position. This comprises of a deficit of £156,056 in Electoral Registration Officer (ERO) activity, which was fully funded from earmarked reserves carried forward from 2020/21 and a net surplus of £152,972 in respect of core activity.
- 4 The audited annual accounts confirm a useable reserves balance of £672,055 as at 31 March 2022. Management is intending to use reserves in the coming years but will look to maintain reserves of at least five per cent of net expenditure.
- 5 The financial planning arrangements in place have allowed management to plan for future pressures and take action where required.
- 6 Disclosures in the Annual Governance Statement are consistent with the financial statements and the statement has been prepared in accordance with the relevant statutory guidance.

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# Introduction

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1. This report summarises the findings from our 2021/22 audit of Renfrewshire Valuation Joint Board (RVJB).
2. The scope of our audit was set out in our [2021/22 Annual Audit Plan](#). This was circulated to members outwith the normal committee cycle. This report comprises the findings from:
  - an audit of the RVJB's annual accounts
  - our consideration of financial sustainability and the Annual Governance Statement.

## Adding value through the audit

3. We add value to the RVJB through the audit by:
  - identifying and providing insight on significant risks, and making clear and relevant recommendations;
  - sharing intelligence and good practice guides; and
  - providing clear conclusions on financial sustainability and disclosures in the Annual Governance Statement.
4. In so doing, we aim to help RVJB promote improved standards of governance, better management and decision making and more effective use of resources.

## Responsibilities and reporting

5. RVJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. RVJB is also responsible for compliance with legislation putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

6. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK. Also, local government bodies have a responsibility to have arrangements in place to demonstrate Best Value in how they conduct their activities. Our audit work on RVJB's Best Value arrangements is focussed on their use of resources to secure financial sustainability.

7. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on the appropriateness of disclosures in the Annual Governance Statement and the appropriateness and effectiveness of the arrangements in place for securing financial sustainability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

**8.** The [Code of Audit Practice 2016](#) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the Annual Governance Statement and the financial sustainability of the body and its services. As highlighted in our 2021/22 Annual Audit Plan, due to the low volume and lack of complexity of the financial transactions, we applied the small body provisions of the [Code of Audit Practice 2016](#) to the 2021/22 audit.

**9.** This report raises matters from our audit. The weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

## Auditor Independence

**10.** Auditors appointed by the Accounts Commission must comply with the [Code of Audit Practice 2016](#) and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

**11.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £7,820 as set out in our 2021/22 Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**12.** This report is addressed to both RVJB and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

## Audit appointment from 2022/23

**13.** External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year so that 2021/22 is the last year of the current appointment round.

**14.** The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 Azets will be the appointed auditor for RVJB. We are working closely with the new auditors to ensure a well-managed transition.

**15.** A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the [Code of Audit Practice 2016](#) issued in May 2016.

**16.** We would like to thank Board members, the Assessor, the Treasurer and other staff, particularly those in finance, for their co-operation and assistance over the last six years.

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# Part 1. Audit of 2021/22 annual accounts

The principal means of accounting for the stewardship of resources and performance

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## Main judgements

RVJB's financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

The Management Commentary, the Annual Governance Statement, and the audited part of the Remuneration Report were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

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## Our audit opinions on the annual accounts are unmodified

**17.** The annual accounts for the year ended 31 March 2022 were approved by the Joint Board on 18 November 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the Management Commentary, the Annual Governance Statement, and the audited part of the Remuneration Report were all consistent with the financial statements and properly prepared in accordance with the applicable requirements
- we have nothing to report in respect of those matters which we are required by the Accounts Commission to report by exception.

## The annual accounts were signed off in line with the agreed timetable

**18.** The unaudited annual accounts were received in line with our agreed audit timetable on 10 June 2022. The physical limitations on access to records and systems due to continued remote working did not impact on or delay the audit.

**19.** The unaudited annual accounts provided for audit were complete and of a good standard and finance staff provided good support to the audit team which helped ensure the final accounts audit process ran smoothly.

## Overall materiality is £57,000

**20.** Our initial assessment of materiality was carried out during the planning phase of the audit. This was reviewed on receipt of the unaudited annual

accounts, and it was concluded no changes were required to our planned levels. Materiality is summarised in [Exhibit 1](#).

## Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£57,000
Performance materiality	£43,000
Reporting threshold	£3,000

Source: Audit Scotland

## We have one significant finding to report on the accounts

**21.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices, covering accounting policies, accounting estimates and financial statements disclosures. We have one significant finding to report from the audit.

## Exhibit 2 Significant findings from the audit of the financial statements

Issue	Resolution
<p><b>1. Guaranteed Minimum Pensions</b></p> <p>A contingent liability of £80,000 was originally disclosed in the unaudited financial statements in relation to Guaranteed Minimum Pensions (GMP). This should have been recognised within the overall pension liability. This adjustment also required to be amended in the prior year.</p>	<p>Management amended the 2021/22 financial statements to reflect the GMP liability and removed the contingent liability. The 2020/21 accounts were restated to reflect the prior year adjustment.</p>

Source: Audit Scotland

**22.** There were two other audit findings in relation to the following areas noted below. [Appendix 1](#) details the recommended action plan in relation to these:

- **Related parties** – RVJB's related parties note was reviewed against the requirements of IAS 24 and Audit Scotland's [Good Practice Note](#). Management has updated and expanded the disclosure within the annual accounts. The process could be further improved by management:
  - conducting a review of the register of interest of each Board 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 RVJB in the identification of related parties; and
- adding a link in the note to signpost to Board members Register of Interests.
- **Pension Reconciliation** – There is a difference in the employer contribution figure recognised in RVJB’s ledger and the Hyman’s Robertson IAS 19 report of £8,259. Management advised the difference is as a result of payroll operating on a cash basis whilst the ledger is on an accrual basis. However, no reconciliation has been undertaken.

**23.** We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

### Exhibit 3

#### Significant risks from the audit of the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p><b>Risk of material misstatement due to fraud caused by the management override of controls</b></p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management’s ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>• Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.</li> <li>• Test appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.</li> <li>• Evaluate significant transactions outside the normal course of business.</li> <li>• We will assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</li> <li>• Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</li> </ul>	<p><b>Results &amp; Significant Judgements:</b></p> <p>No unusual or inappropriate transactions were identified as part of our detailed journal testing.</p> <p>A review of accounting estimates did not show any evidence of bias.</p> <p>Focused testing of accruals and prepayments did not identify any balances that were incorrectly held on the Balance Sheet.</p> <p>Focused testing on a sample of transactions outside the normal course of business did not show any evidence of management override of controls.</p> <p><b>Conclusion:</b> No evidence of management override of controls.</p>

Audit risk	Assurance procedure	Results and conclusions
	Focussed testing of accounting accruals and prepayments.	

## Other areas of audit focus

**24.** We identified in our 2021/22 Annual Audit Plan one area where we considered there to be other risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we did not consider these to represent significant risks. The area of specific audit focus was:

- **Measurement and judgements applied to the valuation of pension liabilities:** As at 31 March 2021, RVJB recognised a net liability of £2.429 million relating to its share of the Strathclyde Pension Fund liability. There is a significant degree of subjectivity in the measurement and valuation of the pension fund liability. The valuation is based on specialist assumptions and estimates.

**25.** We have kept this area under review throughout our audit and one issue has been raised in [Exhibit 2](#).

## All identified misstatements have been corrected in the audited accounts

**26.** The cumulative total of misstatements identified was £80,000 in relation to the GMP issue highlighted in [Exhibit 2](#).

**27.** We have reviewed the nature and causes of these misstatements and have concluded that they arose from issues that have been isolated and identified in their entirety and do not indicate further systemic error. Adjustments made in the audited accounts:

- decreased the pension asset by £80,000 and decreased unusable reserves by £80,000.

**28.** It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance considering advice from senior officers and materiality. Management have adjusted all identified misstatements above our reporting threshold; there are no unadjusted errors to report.

# Part 2. Financial sustainability and Annual Governance Statement

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

## Main judgements

A deficit of £3,084 for the financial year 2021/22 was achieved, compared to a budgeted breakeven position. This comprises of a deficit of £156,056 in ERO activity, which was fully funded from earmarked reserves carried forward from 2020/21 and a net surplus of £152,972 in respect of core activity.

The audited annual accounts for 2021/22 confirm a useable reserves balance of £672,055 as at 31 March 2022.

## Audit work has addressed the wider scope risks identified in our Annual Audit Plan

29. [Exhibit 4](#) sets out the significant risks of material misstatement we identified in our 2021/22 audit, our assurance procedures and the results and conclusions from our work. These risks influenced our overall audit strategy, the allocation of staff resources to the audit and informed where the efforts of the team were directed.

## Exhibit 4

### Risks identified from the auditor's wider responsibility under the [Code of Audit Practice 2016](#)

Audit risk	Assurance procedure	Results and conclusions
<p><b>Financial Sustainability</b></p> <p>As part of the budget setting process for RVJB, revenue estimates are prepared for a three-year period. This allows management and members to identify pressures and take</p>	<ul style="list-style-type: none"> <li>In February 2022 the Board approved revenue estimates for 2022/23 and noted indicative budgets for 2023/24 and 2024/25. While a drawdown from reserves is planned for each year, it is forecast that reserve</li> </ul>	<p><b>Results &amp; Significant Judgements:</b></p> <p>A review of budget monitoring reports and the financial statements highlight reserves have decreased slightly, with a balance of £672,055 as at</p>

Audit risk	Assurance procedure	Results and conclusions
<p>early actions to mitigate against these pressures.</p> <p>The audited annual accounts for 2020/21 confirm a useable reserve balance of £675,139. Use of reserves is anticipated until 2022/23 to achieve financial balance and maintain sustainable requisition increases. However, it is planned to maintain reserves at a minimum of five per cent of net expenditure to provide flexibility for unforeseen circumstances, there is a risk this will not be achieved in the medium term.</p>	<p>balances will still be maintained at over 8% of net expenditure by the end of this three-year period.</p> <ul style="list-style-type: none"> <li>The use of reserves recognises the challenging financial environment facing constituent authorities, as well as the level of balances set aside thus far from prior year underspends to fund the recommendations of the Barclay review.</li> </ul>	<p>31 March 2022. It is anticipated that reserves will continue to be used until 2024/25 to achieve financial balance. However, a prudent use of reserves is planned, and management will look to maintain reserves at a minimum of five per cent of net expenditure.</p> <p><b>Conclusion:</b> RVJB continues to operate in a challenging financial climate, with pressures in delivering existing services with the current levels of resources. Management continues to review options and resources for the delivery of future services.</p>

## Financial performance in 2021/22

**30.** The Joint Board approved the 2021/22 budget in February 2021. Total budgeted expenditure was £2.881 million and total budgeted income was £2.801 million, with a planned drawdown of £80,000 of reserves to achieve a break-even position. Income also included £0.455 million of Barclay requisition that is passed on to RVJB from the member councils.

**31.** Actual outturn in 2021/22 was total expenditure of £2.805 million and total income of £2.802 million, resulting in a deficit of £3,084. The main factors regarding variances are set out in the Management Commentary in the annual accounts.

## Short term financial planning

**32.** The Joint Board approved the 2022/23 budget in March 2022. Total budgeted expenditure was £2.952 million and total budgeted income was £2.861 million, with a planned drawdown of £91,000 of reserves to achieve a break-even position.

## Medium to long term financial planning

**33.** We reviewed the financial planning systems and assessed how effective they are in identifying and addressing risks to financial sustainability across the medium and long term.

**34.** As part of the budget setting process, revenue estimates are prepared for a three-year period. This allows management and members to identify pressures and take early actions to mitigate against these pressures.

**35.** The audited annual accounts for 2021/22 confirm a useable reserve balance of £672,055. Financial Planning anticipates the use of reserves each year until 2024/25 to achieve financial balance and maintain sustainable requisition increases. However, a prudent use of reserves has been planned by management and an unallocated reserve balance of five per cent of net expenditure will continue to be maintained to provide financial flexibility for unforeseen circumstances.

**36.** From the work carried out, we have concluded that RVJB has adequate financial planning arrangements in place. Cost pressures are expected to arise in the medium term. However, the financial planning arrangements in place have allowed management to plan for these pressures and ensure necessary actions are taken when required.

## **Annual Governance Statement**

**37.** Our review of the Annual Governance Statement assessed the assurances which are provided to the Joint Board 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 that a 'reasonable level of assurance' can be placed upon the adequacy and effectiveness of Renfrewshire Valuation Joint Board's internal control, risk management and governance arrangements.

**38.** 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.

## **National performance audit reports**

**39.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. [Appendix 2](#) highlights a number of the reports published in 2021/22.

# Appendix 1. Action plan 2021/22

## 2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Related Parties</b></p> <p>RVJB's related parties note was reviewed against the requirements of IAS 24 and Audit Scotland's Good Practice Note. Management has updated and expanded the disclosure within the annual accounts. The process could be further improved by management.</p> <p><b>Risk</b> – not all related party transactions are identified and reflected within the financial statements.</p>	<p>The process could be further improved by management:</p> <ul style="list-style-type: none"> <li>conducting a review of the register of interest of each Joint Board member against a year-end transaction listing to identify any related party disclosures</li> <li>consideration of the interests of close persons or family members of those related to RVJB in the identification of related parties</li> <li>adding a link in the note to signpost to Joint Board members Register of Interests</li> </ul> <p><a href="#">Paragraph 22</a></p>	<p>A full review of related parties disclosures will be undertaken in light of these recommendations and the best practice note and the 2022/23 Related Parties Note updated accordingly.</p> <p><b>Responsible officer:</b> Treasurer</p> <p><b>Agreed date:</b> 31 March 2023</p>
<p><b>2. Pension Reconciliation</b></p> <p>There is a difference in the employer contribution figure recognised in RVJB's ledger and the Hyman's Robertson IAS 19 report of £8,259.</p> <p>Management advised the difference is as a result of payroll operating on a cash basis whilst the ledger is on an accrual basis. However no reconciliation has been undertaken.</p> <p><b>Risk</b> - management cannot gain sufficient assurance as to the reason for pension contribution differences.</p>	<p>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 Hyman's Robertson report/accounts.</p> <p><a href="#">Paragraph 22</a></p>	<p>This reconciliation has now been prepared for 2021/22 and added to routine year-end work around pension disclosures.</p> <p><b>Responsible officer:</b> Treasurer</p> <p><b>Agreed date:</b> 31 March 2023</p>



# Appendix 2. Summary of 2021/22 national performance reports and briefing papers

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## May

[Local government in Scotland Overview 2021](#)

## June

[Covid 19: Personal protective equipment](#)

## July

[Community justice: Sustainable alternatives to custody](#)

## September

[Covid 19: Vaccination programme](#)

## January

[Planning for skills](#)

[Social care briefing](#)

## February

[NHS in Scotland 2021](#)

## March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

# Renfrewshire Valuation Joint Board

## 2021/22 Annual Audit Report - PROPOSED - PROPOSED

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

## Appendix A: Proposed Independent Auditor's Report

### Independent auditor's report to the members of Renfrewshire Valuation Joint Board and the Accounts Commission

#### Reporting on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Renfrewshire Valuation Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including summary of 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 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

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

##### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is six years. I am independent of the Renfrewshire Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Renfrewshire Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

## **Risks of material misstatement**

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

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

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

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

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

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

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

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

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

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

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

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

## **Reporting on other requirements**

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

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

### **Other information**

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

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

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

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

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

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

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

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

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

I have nothing to report in respect of these matters.

## **Conclusions on wider scope responsibilities**

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

## **Use of my report**

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

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

## Appendix B

**My Ref:** AM/CB  
**Contact:** Alastair MacArthur  
**Telephone Number:** 0141-618-7363  
**E Mail:** alastair.macarthur@renfrewshire.gov



Mark Ferris, Senior Audit Manager  
Audit Scotland  
4<sup>th</sup> Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

Dear Mark,

### Renfrewshire Valuation Joint Board Annual Accounts 2021/22

1. This representation letter is provided about your audit of the annual accounts of Renfrewshire Valuation Joint Board for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the Remuneration Report, Management Commentary and Annual Governance Statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Assessor and Electoral Registration Officer and RVJB's leadership team that the following representations given to you in connection with your audit of Renfrewshire Valuation Joint Board's annual accounts for the year ended 31 March 2022.

#### General

3. Renfrewshire Valuation Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Renfrewshire Valuation Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that, as you have reported, there are no unadjusted errors within the financial statements.

#### Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local



**Finance & Resources**  
**Director: Alastair MacArthur CPFA**  
Renfrewshire House, Cotton Street, Paisley PA1 1TT  
[www.renfrewshire.gov.uk](http://www.renfrewshire.gov.uk)



Government in Scotland Act 2003 and the Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Renfrewshire Valuation Joint Board at 31 March 2022 and the transactions for 2021/22.

### **Accounting Policies & Estimates**

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Renfrewshire Valuation Joint Board's circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

### **Going Concern Basis of Accounting**

9. I have assessed Renfrewshire Valuation Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Renfrewshire Valuation Joint Board's ability to continue as a going concern.

### **Assets**

10. All assets as at 31 March 2022 of which I am aware of have been recognised in the annual accounts.

11. I carried out an assessment at 31 March 2022 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

12. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

13. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

### **Liabilities**

14. All liabilities at 31 March 2022 of which I am aware have been recognised in the annual accounts.

15. The accrual recognised in the financial statements for holiday untaken by 31 March 2022 has been estimated on a reasonable basis.



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**16.** The pension assumptions made by the actuary in the IAS 19 report for Renfrewshire Valuation Joint Board have been considered and I confirm that they are consistent with management's own view.

**17.** There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

### **Contingent liabilities**

**18.** There are no significant contingent liabilities, other than those disclosed in Note 15 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the 2021/22 accounting code and IAS 37.

### **Fraud**

**19.** I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud;
- any allegations of fraud or suspected fraud affecting the financial statements; and
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Laws and Regulations**

**20.** 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.

### **Related Party Transactions**

**21.** All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all Renfrewshire Valuation Joint Board related parties and all the related party relationships and transactions of which I am aware.

### **Remuneration Report**

**22.** The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

### **Management commentary**

**23.** I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.



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## Corporate Governance

**24.** I confirm that the Renfrewshire Valuation Joint Board has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

**25.** I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which require to be reflected.

## Events Subsequent to the Date of the Balance Sheet

**26.** All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Alastair MacArthur

Treasurer



**Finance & Resources**  
**Director: Alastair MacArthur CPFA**  
Renfrewshire House, Cotton Street, Paisley PA1 1TT  
[www.renfrewshire.gov.uk](http://www.renfrewshire.gov.uk)





# Renfrewshire Valuation Joint Board

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Audited Annual Accounts  
2021/22

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## Management Commentary

The purpose of the Management Commentary is to present an overview of the Renfrewshire Valuation Joint Board's financial performance during the year 2021/22 and to help readers understand its financial position at 31 March 2022. In addition, it outlines the main risks and uncertainties facing the Renfrewshire Valuation Joint Board (the Board) for the financial year 2021/22 and beyond.

## Who we are and what we do

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

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

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

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

At 31 March 2022, these members were:

East Renfrewshire Council	Inverclyde Council	Renfrewshire Council	
A Ireland (Vice-Convener)	G Brooks	A Doig (Convener)	M MacLaren
A Convery	C Jackson	T Begg	J McIntyre
C Gilbert	T McVey	J Cameron	J Sharkey
J Fletcher	I Nelson	K MacLaren	A Steel

## Our Aims

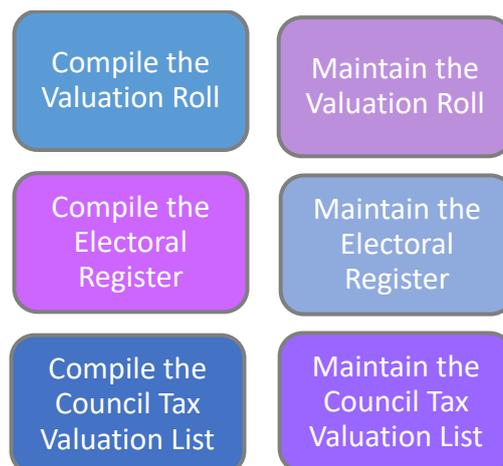
The Board was presented with an update to its current Strategic Service Plan on 10 June 2022. The plan covers the period April 2021 to April 2024.

A copy of Strategic Service Plan can be found at the following link: [http://www.renfrewshire-vjb.gov.uk>Governance>Policies and Plans](http://www.renfrewshire-vjb.gov.uk/Governance/Policies%20and%20Plans).

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

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

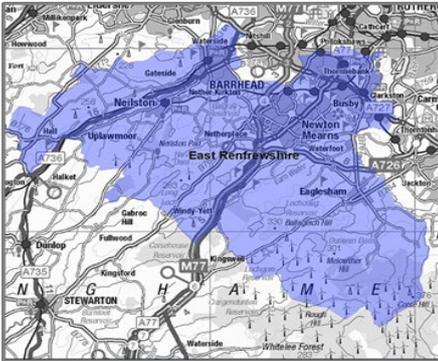
Part 3 of the Board's Strategic Service Plan 2021-24 defines six key business objectives, as follows:



## Our Performance

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

### East Renfrewshire



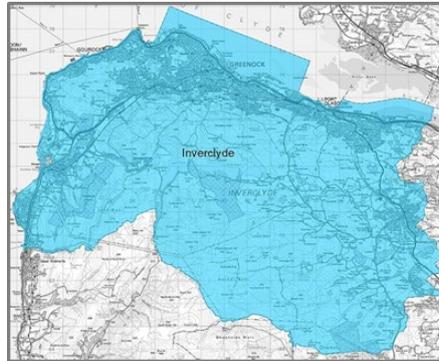
Council Tax	2021/22	2020/21
Properties	40,205	39,738
Proposals / Appeals received	86	77
Proposals / Appeals settled	123	86

Revaluation Roll	2021/22	2020/21
Properties	1,815	1,815
Appeals settled	5	41

Running Roll	2021/22	2020/21
Properties	1,817	1,815
Appeals received	25	282
Appeals settled	45	7

	2021/22	2020/21
Population**	96,060	96,060
Population over 16	76,414	76,414
Registered Electors	73,583	73,158

### Inverclyde



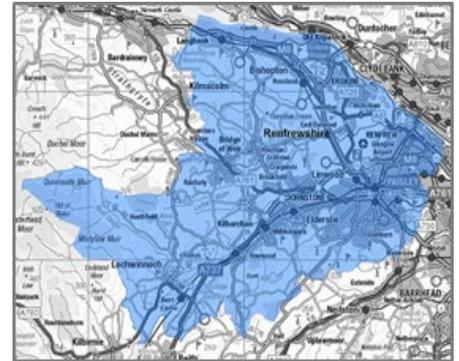
Council Tax	2021/22	2020/21
Properties	39,672	39,233
Proposals / Appeals received	35	41
Proposals / Appeals settled	70	60

Revaluation Roll	2021/22	2020/21
Properties	2,430	2,430
Appeals settled	7	51

Running Roll	2021/22	2020/21
Properties	2,443	2,438
Appeals received	18	916
Appeals settled	178	11

	2021/22	2020/21
Population**	77,060	77,060
Population over 16	64,647	64,647
Registered Electors	60,632	60,493

### Renfrewshire



Council Tax	2021/22	2020/21
Properties	90,100	89,149
Proposals / Appeals received	143	115
Proposals / Appeals settled	215	158

Revaluation Roll	2021/22	2020/21
Properties	9,905	9,905
Appeals settled	9	160

Running Roll	2021/22	2020/21
Properties	10,052	10,012
Appeals received	91	2,037
Appeals settled	145	48

	2021/22	2020/21
Population**	179,390	179,390
Population over 16	149,208	149,208
Registered Electors	141,027	139,516

\*\* Population estimates are sourced from Office of National Statistics and are based on the mid-2019 data for the 2020 year and the mid-2020 data for the 2021 year shown above <https://www.ons.gov.uk>

For a full analysis of the Board's performance, please see the Annual Public Performance Report, which was presented to the Board on 10 June 2022. Performance information is also updated at every meeting of the Board.

## Review of the Year

The COVID-19 pandemic continued to affect the organisation during 2021/22, with staff working from home or from the office, depending on the operational requirements and the government guidance in place at the time.

One of the early challenges during 2021/22 was the delivery of the Scottish Parliamentary election. Due to the COVID-19 situation in the lead up to the election, there was a significant increase in the number of applications for postal votes and while the increase was at the lower end of predictions, the result was that around 25% of the electorate in the Joint Board area had a postal vote for this election, up from about 19%. For this election regulations were in place to allow electors to apply for an emergency proxy if they required to self-isolate due to COVID-19. Processes were agreed with the Returning Officers to ensure this operated smoothly and these worked well in the lead up to and on election day.

2021/22 saw the second year of the reformed annual electoral canvass and unlike the previous year staff were able to successfully complete the door-to-door element of the canvass. This allowed the Electoral Register to be published on 1 December in line with the legislative requirements.

In late 2021, early 2022, preparations began for the Local Government Election due to take place on 5 May 2022. The worsening COVID-19 position at that time led to the decision, along with most other EROs in Scotland, to issue Household Notification Letters (HNLs) to all properties in the VJB area informing them of who was registered and how to apply for a postal vote if required. The issue of HNLs was helpful in ensuring that electors were aware of their registration and method of voting options ahead of the issue of polling cards by the Returning Officer.

Government COVID restrictions and Health and Safety guidance restricted the Board's ability to undertake surveys for Council Tax and Non-Domestic rating at various points throughout the year. However, it was

still possible to add a record number of new houses to the Council List during 2021/22. The addition of 1,967 new houses was an increase of approximately 60% on 2020/21 and significantly higher than the average number of new additions to the Council Tax list for the last five years (1,300). Of the new additions, 98% were added to the list within 3 months of existence and almost all within 6 months.

Changes to the Valuation Roll were almost double compared to the previous year at 556 for 2021/22 compared to 287, albeit this is still below the longer-term average number of changes. In addition to changes to the Valuation Roll, the team was engaged in implementing the aspects of the Non-Domestic Rates (Scotland) Act 2020 and associated regulations that came into force during 2021/22. These included the addition of a new/improved marker for changes to the Valuation Roll and the changes to the Assessors information gathering powers by issuing Assessors Information Notices.

Preparations for the 2023 Non-Domestic Revaluation were also progressed significantly during the year, with local IT improvements, information gathering and partnership working with the other Scottish Assessors and Valuation Office Agency taking place.

During the year there were seven complaints received, one of which was upheld and one partially upheld. The Board implemented the Public Sector Ombudsman's revised Model Complaints Handling Procedure from April 2021.

There were 10 Freedom of Information requests received during the year, which were all responded to in line with the required statutory timeframe and no requests for review or appeals to the Commissioner were made.

In line with the legislative requirements, the Board published a Public Sector Equality Duty report, including a profile of the workforce, pay gap reporting and updates on Equality Outcomes. A copy of this report is available at [www.renfrewshire-vjb.gov.uk/equalities](http://www.renfrewshire-vjb.gov.uk/equalities)

On 15 October 2021, Kate Crawford retired as Assessor & ERO and Robert Nicol was appointed as her successor.

## Primary Financial Statements

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

The Annual Accounts summarise the Board's transactions for the year and its year-end position at 31 March 2022. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet.

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

The cash balance at 31 March 2022 of £100 in the Balance Sheet represents petty cash held by officers of the Board.

## Financial Performance

The Comprehensive Income and Expenditure Statement on page 19 summarises the total costs of providing services and the income available to fund those services.

A summary of the outturn position against the agreed budget is shown on the next page. The Board has returned a small deficit of £3k for the financial year 2021/22. This comprises of a deficit of £156k in ERO activity, which is fully funded from earmarked reserves carried forward; and a net surplus of £153k in Core activity, with variances outlined as follows.

There are a number of budget variances that make up this figure, but one significant underspend occurred within Employee Costs (£60k) owing to unfilled vacancies throughout the year. This also led to an underspend in Transfer Payments, which contains Apprenticeship Levy associated with payroll costs.

Savings were also experienced within Transport Costs (£16k), due to less staff travel during the pandemic.

An overspend of £11k occurred in Property costs due to higher than budgeted cleaning costs during the pandemic.

Supplies and Services experienced an underspend largely owing to reduced computer maintenance costs in-year. Further savings were achieved within printing costs, due to less stationery purchased throughout the year as a result of employees working from home, as well as handheld devices being used for the door-to-door Canvass, rather than paper.

Capital costs of £20k were incurred, mostly relating to the purchase of tablet devices to assist employees working from home and also the purchase of an IT storage device.

Electoral registration funding of £274k was received from the Scottish Government in 2020/21, of which an unspent sum of £156k was carried forward into 2021/22. The £156k was fully spent in 2021/22 mainly on employee costs and the cost for issuing Household Notification Letters (HNLs), as mentioned above.

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

	Budget £	Core Actual £	ERO Actual £	Total Actual £	Variance (Adv) / Fav £
Employee Costs	2,126,003	1,960,334	106,147	2,066,481	59,522
Property Costs	187,530	198,542	0	198,542	(11,012)
Supplies and Services	427,850	359,211	51,440	410,651	17,199
Support Costs	96,880	97,286	0	97,286	(406)
Transfer Payments	22,822	7,266	474	7,740	15,082
Transport Costs	20,000	3,434	976	4,410	15,590
Capital Charges	0	19,758	0	19,758	(19,758)
<b>Total Expenditure</b>	<b>2,881,085</b>	<b>2,645,831</b>	<b>159,037</b>	<b>2,804,868</b>	<b>76,217</b>
Requisition Income	(2,774,455)	(2,773,990)	0	(2,773,990)	(465)
Other Income	(26,630)	(24,813)	(2,981)	(27,794)	1,164
Budgeted Transfer from Reserves	(80,000)	0	0	0	(80,000)
<b>Total Income</b>	<b>(2,881,085)</b>	<b>(2,798,803)</b>	<b>(2,981)</b>	<b>(2,801,784)</b>	<b>(79,301)</b>
<b>Net (Surplus)/Deficit</b>	<b>0</b>	<b>(152,972)</b>	<b>156,056</b>	<b>3,084</b>	<b>(3,084)</b>

## The Balance Sheet at 31 March 2022

The Balance Sheet sets out the total net worth of the Board at a snapshot in time. When comparing the net worth of the Board at 31 March 2022 to that of the prior year, an overall increase in net worth of the organisation of £2.072m can be seen. This is primarily due to the decrease in pension liability explained below.

### Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed in Note 14: Retirement Benefits on page 28. The appointed actuaries have confirmed a net liability position of £335k (£2.429m 2020/21), a decrease in liabilities of £2.094m, in their assessment of the position of the pension fund, which is attributable to many factors, such as the experience of market yields over the course of the past year.

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

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

A potential change to pension rules is outlined in Note 16: Contingent Liabilities on page 31; however, this has not been reflected in the pension liability reported in the Balance Sheet.

### Reserves at 31 March 2022

The Board had an opening Revenue Reserve at 1 April 2021 of £675k. Earmarked reserves of £156k funded electoral registration in 2021/22, therefore the core surplus of £153k in the year takes the closing Revenue Reserve position to £672k.

Of this balance, £55k is earmarked for software development (delayed during 2021/22) and a further £24k is newly earmarked to fund one-off spend in 2022/23 on economic modelling work related to Fixed Line Telecommunications valuation. This was detailed in the Revenue Estimates report to Board in February 2022.

## Wider Engagement

During 2021/22, the Assessor, via the Scottish Assessors' Association, made contributions to the consultations on the Decapitalisation Rates for the 2023 Revaluation, The Non-Domestic Rates (Coronavirus) (Scotland) Bill, Valuation Timetable (Scotland) Amendment Order, Valuation (Proposals Procedure) (Scotland) Regulations, Valuation Roll and Valuation Notice (Scotland) Order, and numerous other Regulations to allow the transfer of Council Tax and Non-Domestic appeals from local Valuation Appeal Committees to the Tribunals Service. A response was also made to the Public Sector Equality Duty review, the deadline for responses was extended until 14 April and the outcome of the review is awaited.

## Risks

The maintenance of a Corporate Risk Register ensures that the Board's functions operate effectively under all assessable and identifiable risks. This was most recently reported to the Board by the Assessor & ERO on 25 February 2022 and is reviewed, updated and reported to the Board twice-yearly.

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

A total of 12 corporate risks are identified on the Corporate Risk Register. Of these, eight are identified as High, or Very High risks and are summarised in the table that follows.

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

Full details on the risks identified, along with steps being taken to mitigate these were presented in the Corporate Risk Register Report of 25 February 2022, which can be found by following the Board report link shown at the end of this report. The risk management framework and reporting of risk will be reviewed during 2022/23 to better reflect the residual risk after mitigations have been accounted for.

The first risk noted below reflects the general financial climate in local government, along with the increased demands that are being placed on services due to Non-Domestic Rates Reform and Elections Bill and the uncertainty over future funding for these additional duties.

The implementation of the remaining recommendations from the Barclay review will be in force by April 2023. At present, a significant recommendation that relates to the appeals process is still being drafted into legislation and is expected to be finalised in the Autumn of 2022.

This change is very significant and will involve both staff training and IT development on the new core system. This will be incorporated into its development once the new legislation and appeals processes have been finalised.

The next Non-Domestic property revaluation will take effect from 1 April 2023, with the Tone Date (that is the date to which the valuation is tied to) to be April 2022. This is another change to current working practices, as previously the Tone Date was two years prior to a revaluation. However, following on from the Barclay review a one-year Tone Date and three-yearly revaluations will become the new norm.

Due to the pandemic, the 2022 Revaluation was postponed by the Scottish Government until April 2023, but the introduction of the one-year Tone date has been brought forward from its original timescale of 2025 to become law from 2022. This requires gathering and analysis of rental evidence to allow the valuations of all 14,400 Non-Domestic subjects in the Board's area in time to publish a draft list by November 2022.

In effect, there are a number of key deliverables in a very short timeframe:

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

Finally, the staffing risk remains high due to the age profile of the workforce and recruitment difficulties being experienced across Valuation Joint Boards.

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

Risk	Likelihood	Impact	Score	Evaluation
The risk that the Board fails to meet its financial commitments due to budgetary pressures as a result of increased financial pressures on the Board from their constituent authorities and the Scottish Government	4	5	20	Very High
The risk that legislative changes will affect the discharge of statutory duties e.g. the change to three yearly Revaluations with a one year tone date, the move from Valuation Appeal Committees to the Tribunal Service and the effects on our service are unknown.	4	4	16	High
The risk of unplanned electoral events which are now an ever-increasing possibility and put a significant strain on the Board's budget. The UK Elections Act 2022 introduces many changes with notable provisions being photo identification to vote in person and removing the restriction on British citizens who have been resident overseas for more than 15 consecutive years from voting in UK elections. These changes will put significant pressure on our service.	4	4	16	High
The risk that significant pressure on the Board's Professional Services could potentially lead to statutory duties being breached. The Board's valuation team need to have the relevant knowledge base to carry out their duties and therefore qualified staff need to be retained. The circa 6,000 material change of circumstance appeals lodged as result of the global pandemic need to be disposed of as well as the competing demands of delivering the 2023 Revaluation and day to day workload.	4	4	16	High
The risk that Board does not have sufficient capacity to deal with changes / development in IT, including changing demands, which could impact on service delivery	4	4	16	High
The risk of non-availability/loss of data sets, which would result in disruption of service to all stakeholders e.g. cyber attacks	4	4	16	High
The risk of loss of information; the Board has invested in a Document Management System and a significant amount of information is held electronically, but the loss of paper files would still cause disruption in the Board's service delivery.	3	4	12	High
The risk that, given the skill base in the Board's staff lies with those that are in the age range of 40-60, the loss of the key knowledge and skills in the short to medium term would impact the service's ability to all functions.	3	4	12	High

## COVID-19 Lockdown: Remote Working

During 2021/22 the Board continued to deliver all services across its three statutory functions mainly through remote working, with some limited occupation of the office in line with government and Health and Safety guidance. Preparations are underway to facilitate a more widespread return to the office during 2022.

## Outlook and Future Plans

Budgeted expenditure for 2022/23 of £2.925m was agreed by the Board on 25 February 2022. Of this, £0.492m is being met from funding related to the implementation of Barclay recommendations.

The Board recognises the difficult financial climate facing local authorities and has continued to seek efficiencies wherever possible. Requisition levels are increased by 1.0% for 2022/23 and a prudent level of reserves use is planned over the next three years.

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

## Conclusion

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

**Councillor Audrey Doig**  
Convener

**Alastair MacArthur**  
Treasurer

**Robert Nicol**  
Assessor and Electoral Registration Officer

# Statement of Responsibilities for the Annual Accounts

## The Board's Responsibilities

The Board is required to:

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

I confirm that these Annual Accounts were approved for signature by the Board at its meeting on the 18 November 2022.

Signed on behalf of Renfrewshire Valuation Joint Board.

**Councillor Audrey Doig**  
Convener

## The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

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

**Alastair MacArthur**  
Treasurer

# Annual Governance Statement

## Scope of Responsibility

Renfrewshire Valuation Joint Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Board also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Board's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

## The Board's Governance Framework

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

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

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

The main features of our governance arrangements are summarised as:

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

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

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

The system includes:

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

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

## Review of Effectiveness

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

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

These are:

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

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

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

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

The review has not identified any significant governance issues to be reported on for 2021/22 and no actions arising for the 2020/21 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, to enable site visits to recommence and partial re-occupation of the office. The risk of social distancing continuing and its potential impact on the governance arrangements continues to be reviewed and monitored through robust risk management arrangements.

## Assurance

In conclusion, it is our opinion that the annual review of governance together with the work of internal audit, any comments received from external audit and certification of assurance from the Assessor and Electoral Registration Officer provide sufficient evidence that the principles of good governance operated effectively and the Joint Board complies with its governance arrangements in all material respects.

Systems are in place to continually review and improve the governance and internal control environment.

Future actions will be taken as necessary to maintain and further enhance the Board's governance arrangements.

**Councillor Audrey Doig**  
Convener

**Robert Nicol**  
Assessor and Electoral Registration Officer

## Remuneration Report

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

### Remuneration policy for elected members

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

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

### Remuneration policy for senior employees

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

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

2020/21 Total Remuneration £	Name	Post Held	2021/22 Total Remuneration £
101,363	Kate Crawford	Assessor & Electoral Registration Officer until 15 October 2021 <i>(full year equivalent £102,436)</i>	55,691
0	Robert Nicol	Assessor & Electoral Registration Officer from 18 October 2021 <i>(full year equivalent £102,436)</i>	46,026

### Pension rights

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

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

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

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

Name	Post Held	Accrued Pension Benefits				In-year Employer Contributions	
		As at 31 March 2022		Change from 31 March 2021		2021/22	2020/21
		Pension	Lump Sum	Pension	Lump Sum		
		£000	£000	£000	£000	£	£
Robert Nicol	Assessor & Electoral Registration Officer from October 2022	43	59	n/a	n/a	11,577	n/a

## Remuneration of Employees

The following table shows the number of employees who received remuneration, excluding pension contributions, in excess of £50,000 during 2021/22, in bands of £5,000.

Bands with nil employees in both years are not displayed.

2020/21 Number of employees	Remuneration Band	2021/22 Number of employees
2	£50,000 - £54,999	0
1	£55,000 - 59,999	3
0	£60,000 - £64,999	1
1	£65,000 - 69,999	0
1	£100,000 - £104,999	0
<b>5</b>	<b>Total</b>	<b>4</b>

On 15 October 2021 Kate Crawford, Assessor and Electoral Registration Officer retired and was replaced by Robert Nicol. Individually they did not meet the over £50k remuneration threshold in 2021/22.

Tiered contribution rates on whole time pay 2021/22		Equivalent bandings for 2020/21
Up to £22,300	5.5%	Up to £22,200
£22,301 to £27,300	7.25%	£22,201 to £27,100
£27,301 to £37,400	8.5%	£27,101 to £37,200
£37,401 to £49,900	9.5%	£37,201 to £49,600
Over £49,901	12%	Over £49,601

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

The accrual rate guarantees a pension based on 1/49<sup>th</sup> 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 1/60<sup>th</sup> of final pensionable salary).

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

## Exit Packages

There were no exit packages committed by the Board in either 2021/22 or 2020/21.

**Councillor Audrey Doig**  
Convener

**Robert Nicol**  
Assessor and Electoral Registration Officer

## Independent auditor's report to the members of Renfrewshire Valuation Joint Board and the Accounts Commission

### Reporting on the audit of the financial statements

#### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Renfrewshire Valuation Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including summary of 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 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

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

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is six years. I am independent of the Renfrewshire Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Renfrewshire Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

## **Risks of material misstatement**

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

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

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

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

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

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

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

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

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

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

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

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

## **Reporting on other requirements**

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

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

### **Other information**

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

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

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

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

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

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

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

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

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

I have nothing to report in respect of these matters.

## **Conclusions on wider scope responsibilities**

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

## **Use of my report**

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

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

## Comprehensive Income and Expenditure Statement

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

2020/21 (restated)				2021/22		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
2,048,325	0	2,048,325	Employee Costs	2,392,106	0	2,392,106
189,228	0	189,228	Property Costs	198,542	0	198,542
522,434	0	522,434	Supplies and Services	410,651	0	410,651
95,781	0	95,781	Support Costs	97,286	0	97,286
6,678	0	6,678	Transfer Payments	7,740	0	7,740
1,859	0	1,859	Transport Costs	4,410	0	4,410
21,092	0	21,092	Capital Charges	51,952	0	51,952
0	(317,608)	(317,608)	Other Income	0	(26,370)	(26,370)
<b>2,885,397</b>	<b>(317,608)</b>	<b>2,567,789</b>	<b>Cost of Services</b>	<b>3,162,687</b>	<b>(26,370)</b>	<b>3,136,317</b>
			<b>Financing and Investment Income and Expenditure</b>			
0	(4,276)	(4,276)	Interest receivable	0	(1,424)	(1,424)
44,000	0	44,000	Pension interest	52,000		52,000
			<b>Taxation and Non-Specific Grant Income</b>			
0	(2,601,373)	(2,601,373)	Requisitions from Member Authorities	0	(2,773,990)	(2,773,990)
0	(49,150)	(49,150)	Capital Grants	0	0	0
<b>2,929,397</b>	<b>(2,972,407)</b>	<b>(43,010)</b>	<b>Deficit on the Provision of Services</b>	<b>3,214,687</b>	<b>(2,801,784)</b>	<b>412,903</b>
		381,000	Actuarial (Gain)/Loss on pension assets			(2,485,000)
		<b>381,000</b>	<b>Other Comprehensive Income &amp; Expenditure</b>			<b>(2,485,000)</b>
		<b>337,990</b>	<b>Total Comprehensive Income &amp; Expenditure</b>			<b>(2,072,097)</b>

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

For details of the 2020/21 restatement, please refer to Note 2.

## Movement in Reserves Statement

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

<b>Movement in reserves in 2021/22</b>	<b>Note</b>	<b>Usable Revenue Reserve £</b>	<b>Unusable Reserves £</b>	<b>Total Reserves £</b>
<b>Balance at 31 March 2021 brought forward</b>		<b>(675,139)</b>	<b>2,294,591</b>	<b>1,619,452</b>
Total Comprehensive income and expenditure		412,903	(2,485,000)	(2,072,097)
Adjustments between accounting basis and funding basis under regulations	5	(409,819)	409,819	0
<b>Increase or (decrease) in year</b>		<b>3,084</b>	<b>(2,075,181)</b>	<b>(2,072,097)</b>
<b>Balance at 31 March 2022 carried forward</b>		<b>(672,055)</b>	<b>219,410</b>	<b>(452,645)</b>

<b>Comparative movements in 2020/21 (restated)</b>	<b>Note</b>	<b>Usable Revenue Reserve £</b>	<b>Unusable Reserves £</b>	<b>Total Reserves £</b>
<b>Balance at 31 March 2020 brought forward</b>		<b>(399,063)</b>	<b>1,680,525</b>	<b>1,281,462</b>
Total Comprehensive income and expenditure		(43,010)	381,000	337,990
Adjustments between accounting basis and funding basis under regulations	5	(233,066)	233,066	0
<b>Increase or (decrease) in year</b>		<b>(276,076)</b>	<b>614,066</b>	<b>337,990</b>
<b>Balance at 31 March 2021 carried forward</b>		<b>(675,139)</b>	<b>2,294,591</b>	<b>1,619,452</b>

## Balance Sheet

The Balance Sheet shows the value as at 31 March 2022 of the assets and liabilities recognised by the Board. The net liabilities/assets of the Board (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Board is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

2020/21 (restated) £		Note	2021/22 £
198,721	Intangible Assets	6	152,315
15,104	Plant and Equipment	8	29,316
<b>213,825</b>	<b>Long-term Assets</b>		<b>181,631</b>
833,784	Funds held by Renfrewshire Council		663,702
46,798	Debtors and Prepayments	9	28,888
100	Cash in Hand		100
<b>880,682</b>	<b>Current Assets</b>		<b>692,690</b>
(284,959)	Creditors and Accruals	10	(86,674)
<b>(284,959)</b>	<b>Current Liabilities</b>		<b>(86,674)</b>
(2,429,000)	Pension Liability	14	(335,000)
<b>(2,429,000)</b>	<b>Long Term Liabilities</b>		<b>(335,000)</b>
<b>(1,619,452)</b>	<b>Net Assets / (Liabilities)</b>		<b>452,645</b>
(675,139)	Usable Reserves		(672,055)
2,294,591	Unusable Reserves	4	219,410
<b>1,619,452</b>	<b>Total Reserves</b>		<b>(452,645)</b>

The unaudited accounts were issued on 10 June 2022 and the audited accounts were authorised for issue on 18 November 2022.

**Alastair MacArthur**

Treasurer

## Note 1: Expenditure and Funding Analysis

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

<b>2021/22</b>	<b>Net Expenditure chargeable to the Board</b> £	<b>Adjustments for pensions</b> £	<b>Adjustments for capital</b> £	<b>Other adjustments</b> £	<b>Net Expenditure in the CIES</b> £
Employee Costs	2,066,481	339,000	0	(13,375)	2,392,106
Property Costs	198,542	0	0	0	198,542
Supplies and Services	410,651	0	0	0	410,651
Support Costs	97,286	0	0	0	97,286
Transfer Payments	7,740	0	0	0	7,740
Transport Costs	4,410	0	0	0	4,410
Capital Charges	19,758	0	32,194	0	51,952
Other Income	(27,794)	0	0	1,424	(26,370)
<b>Cost of Services</b>	<b>2,777,074</b>	<b>339,000</b>	<b>32,194</b>	<b>(11,951)</b>	<b>3,136,317</b>
<b>Other income and expenditure</b>	<b>(2,773,990)</b>	<b>52,000</b>	<b>0</b>	<b>(1,424)</b>	<b>(2,723,414)</b>
<b>(Surplus) or deficit on the provision of services</b>	<b>3,084</b>	<b>391,000</b>	<b>32,194</b>	<b>(13,375)</b>	<b>412,903</b>

<b>2020/21 (restated)</b>	<b>Net Expenditure chargeable to the Board</b> £	<b>Adjustments for pensions</b> £	<b>Adjustments for capital</b> £	<b>Other adjustments</b> £	<b>Net Expenditure in the CIES</b> £
Employee Costs	1,726,020	271,000	0	51,305	2,048,325
Property Costs	189,228	0	0	0	189,228
Supplies and Services	522,434	0	0	0	522,434
Support Costs	95,781	0	0	0	95,781
Transfer Payments	6,678	0	0	0	6,678
Transport Costs	1,859	0	0	0	1,859
Capital Charges	105,181	0	(84,089)	0	21,092
Other Income	(321,884)	0	0	4,276	(317,608)
<b>Cost of Services</b>	<b>2,325,297</b>	<b>271,000</b>	<b>(84,089)</b>	<b>55,581</b>	<b>2,567,789</b>
<b>Other income and expenditure</b>	<b>(2,601,373)</b>	<b>44,000</b>	<b>(49,150)</b>	<b>(4,276)</b>	<b>(2,610,799)</b>
<b>(Surplus) or deficit on the provision of services</b>	<b>(276,076)</b>	<b>315,000</b>	<b>(133,239)</b>	<b>51,305</b>	<b>(43,010)</b>

## Note 2: Prior Year Restatement

Guaranteed Minimum Pension (GMP) pension costs of £80k were incurred but not included in the prior year Primary Statements. This followed a court judgement relating to a contingent liability disclosed in the Annual Accounts 2020/21. A restatement has now been made in the 2020/21 results. In the CIES, Employee costs now include the additional £80k of past service costs charge. The effect on the CIES, presented on page, 1915 is as follows:

CIES	Originally Stated at 31 March 2021 £	Restated as at 31 March 2021 £	Amount of Restatement £
Employee Costs	1,968,325	2,048,325	80,000
<b>Cost of Services</b>	<b>2,487,789</b>	<b>2,567,789</b>	<b>80,000</b>
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>(123,010)</b>	<b>(43,010)</b>	<b>80,000</b>
<b>Total Comprehensive Income and Expenditure</b>	<b>257,990</b>	<b>337,990</b>	<b>80,000</b>

The Code requires that the Board presents a third Balance Sheet at the beginning of the preceding financial year when a retrospective restatement affects opening balances. There is no impact on 2020/21 opening balances for this restatement. The effect on the 2020/21 Balance Sheet is as follows:

Balance Sheet	Originally Stated at 31 March 2021 £	Restated as at 31 March 2021 £	Amount of Restatement £
Pension (Liability) / Asset	(2,349,000)	(2,429,000)	(80,000)
<b>Net Assets / (Liabilities)</b>	<b>(1,539,452)</b>	<b>(1,619,452)</b>	<b>(80,000)</b>
Usable Reserves	(675,139)	(675,139)	0
Unusable Reserves	2,214,591	2,294,591	80,000
<b>Total Reserves</b>	<b>1,539,452</b>	<b>1,619,452</b>	<b>80,000</b>
<b>Net Impact</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

The following restatement was also required for the Movement in Reserves Statement. The restated prior period Movement in Reserves Statement is provided with the current year information on page 20.

Usable Revenue Reserve	Originally Stated at 31 March 2021 £	Restated as at 31 March 2021 £	Amount of Restatement £
<b>Balance at 1 April 2020</b>	<b>(399,063)</b>	<b>(399,063)</b>	<b>0</b>
Total Comprehensive Income and Expenditure	(123,010)	(43,010)	80,000
Adjustments between accounting basis and funding basis under regulations	(153,066)	(233,066)	(80,000)
<b>Balance at 1 April 2021</b>	<b>(675,139)</b>	<b>(675,139)</b>	<b>0</b>

## Note 3: 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. The following new or amended standards are adopted within the 2022/23 Code: *IFRS 16: Leases*. Implementation has been deferred to 1 April 2024 and there is therefore no impact on the 2021/22 accounts. The impact in future years from the implementation of this standard is that the value of any leased asset, along with the corresponding lease liability, will appear on the balance sheet.

## Note 4: Unusable Reserves

### Pension Reserve

2020/21 (restated) £	Pension Reserve	2021/22 £
<b>1,733,000</b>	<b>Opening balance</b>	<b>2,429,000</b>
381,000	Actuarial (Gains) / Loss on Pension Assets	(2,485,000)
315,000	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	391,000
<b>2,429,000</b>	<b>Closing balance</b>	<b>335,000</b>

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

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

### Employee Statutory Adjustment Account

2020/21 £	Employee Statutory Adjustment Account	2021/22 £
<b>28,111</b>	<b>Opening balance</b>	<b>79,416</b>
(28,111)	Reversal of prior year accrual for short-term accumulating compensated absences	(79,416)
79,416	Accrual for short-term accumulating compensating absences as at 31 March	66,041
<b>79,416</b>	<b>Closing balance</b>	<b>66,041</b>

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

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

## Capital Adjustment Account

2020/21 £	Capital Adjustment Account	2021/22 £
<b>(80,586)</b>	<b>Opening balance</b>	<b>(213,825)</b>
5,552	Charges for depreciation of non-current assets	5,546
15,540	Amortisation of intangible assets	46,406
(105,181)	Capital expenditure charged against Revenue balances	(19,758)
(49,150)	Capital grants credited to the CIES that have been applied to capital financing	0
<b>(213,825)</b>	<b>Closing balance</b>	<b>(181,631)</b>

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. It is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES and credited with the amounts set aside as finance for these costs.

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

The surplus for the year on the Revenue Reserves was £409,819 higher than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Board's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Board to debit and credit the Revenue Reserve Balance.

2021/22	Usable Reserves £	Unusable Reserves £
<b>Adjustments primarily involving the Capital Adjustment Account:</b>		
Charges for depreciation of non-current assets	(51,952)	51,952
Capital expenditure charged against Revenue balances	19,758	(19,758)
<b>Adjustments primarily involving the Pension Reserve:</b>		
Net charges made for retirement benefits in accordance with IAS19	(722,000)	722,000
Employers contributions payable to the Strathclyde Pension Fund	331,000	(331,000)
<b>Adjustments primarily involving the Employee Statutory Adjustment Account:</b>		
Net charges for employment short-term accumulating absences	13,375	(13,375)
<b>Total adjustments</b>	<b>(409,819)</b>	<b>409,819</b>

2020/21 (restated)	Usable Reserves £	Unusable Reserves £
<b>Adjustments primarily involving the Capital Adjustment Account:</b>		
Charges for depreciation of non-current assets	(21,092)	21,092
Capital expenditure charged against Revenue balances	105,181	(105,181)
Capital grants and contributions applied	49,150	(49,150)
<b>Adjustments primarily involving the Pension Reserve:</b>		
Net charges made for retirement benefits in accordance with IAS19	(554,000)	554,000
Employers contributions payable to the Strathclyde Pension Fund	239,000	(239,000)
<b>Adjustments primarily involving the Employee Statutory Adjustment Account:</b>		
Net charges for employment short-term accumulating absences	(51,305)	51,305
<b>Total adjustments</b>	<b>(233,066)</b>	<b>233,066</b>

## Note 6: Intangible Assets

2020/21		2021/22		
Total £		Software £	Assets Under Construction £	Total £
	<b>Opening balance</b>			
77,700	Gross carrying amounts	126,850	105,181	232,031
(17,770)	Accumulated amortisation	(33,310)	0	(33,310)
<b>59,930</b>	<b>Net carrying amount at 1 April</b>	<b>93,540</b>	<b>105,181</b>	<b>198,721</b>
154,331	Additions	0	0	0
(15,540)	Amortisation for the year	(46,406)	0	(46,406)
<b>198,721</b>	<b>Net carrying amount at 31 March</b>	<b>47,134</b>	<b>105,181</b>	<b>152,315</b>
	Comprising:			
232,031	Gross carrying amounts	126,850	105,181	232,031
(33,310)	Accumulated amortisation	(79,716)	0	(79,716)
<b>198,721</b>		<b>47,134</b>	<b>105,181</b>	<b>152,315</b>

## Note 7: Capital Expenditure and Capital Financing

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

2020/21 £		2021/22 £
<b>0</b>	<b>Opening CFR</b>	<b>0</b>
	<b>Capital investment</b>	
0	Plant and Equipment	19,758
154,331	Intangible Assets	0
	<b>Sources of finance</b>	
(105,181)	Direct revenue contributions	(19,758)
(49,150)	Capital grants and other contributions	0
<b>0</b>	<b>Closing CFR</b>	<b>0</b>

## Note 8: Plant and Equipment

2020/21 £	Plant and Equipment	2021/22 £
	<b>Cost or Valuation</b>	
129,026	Opening balance at 1 April	129,026
0	Additions	19,758
129,026	<b>Gross Book Value at 31 March</b>	<b>148,784</b>
	<b>Depreciation and Impairment</b>	
(108,370)	Accumulated depreciation at 1 April	(113,922)
(5,552)	Depreciation charge for year	(5,546)
(113,922)	<b>Accumulated depreciation at 31 March</b>	<b>(119,468)</b>
20,656	Opening Net Book Value	15,104
15,104	<b>Closing Net Book Value</b>	<b>29,316</b>

## Note 9: Debtors

2020/21 £		2021/22 £
30,321	Prepayments	28,888
16,477	Other receivable amounts	0
46,798	<b>Total short-term debtors</b>	<b>28,888</b>

## Note 10: Creditors

2020/21 £		2021/22 £
0	Trade payables	0
(284,959)	Other payables	(86,674)
(284,959)	<b>Total short-term creditors</b>	<b>(86,674)</b>

## Note 11: Operating Leases

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

2020/21 £	Future Minimum Lease Payments	2021/22 £
97,000	Not later than one year	97,000
194,000	Between one and five years	97,000
291,000	<b>Total</b>	<b>194,000</b>

## Note 12: Related parties

Related parties are those bodies or individuals that have the potential to control or significantly influence the Board, or to be controlled or significantly influenced by the Board.

The Board is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties.

Disclosure of this information allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board.

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

The Board pays Renfrewshire Council for support services, which is underpinned by a service level agreement. For 2021/22 the amount paid, excluding insurance, was £79,150 (£79,150 for 2020/21).

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

2020/21 £ Council		%	2021/22 £
567,454	East Renfrewshire	20.6%	573,275
631,044	Inverclyde	23.0%	639,191
1,551,072	Renfrewshire	56.4%	1,561,524
<b>2,749,570</b>	<b>Total</b>	<b>100.0%</b>	<b>2,773,990</b>

Of the 2021/22 total shown, £455,000 was Barclay-related funding (£471,000 in 2020/21).

## Note 13: External audit costs

2020/21 £		2021/22 £
7,610	Fees payable with regard to external audit services carried out by the appointed auditor	7,820
<b>7,610</b>		<b>7,820</b>

## Note 14: Retirement Benefits

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

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

## 14a: Transactions relating to retirement benefits

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

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

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

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

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

The Board is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2021/22 these amounted to £11,126 (2020/21 £7,478).

The following transactions have been made in the accounting statements in 2021/22:

2020/21 (restated) £		2021/22 £
	<b>Comprehensive Income and Expenditure Statement (CIES)</b>	
430,000	Current service cost	670,000
80,000	Past service cost/(gain)	0
	<b>Financing and Investment Income and Expenditure</b>	
44,000	Net Interest	52,000
<b>554,000</b>	<b>Total Post-employment Benefits charged to the Surplus or Deficit on the Provision of Services</b>	<b>722,000</b>
	<b>Other post employment benefit charged to the CIES</b>	
(3,520,000)	Return on assets excluding amounts included in net interest	(1,033,000)
3,397,000	Actuarial (gains) / losses arising on changes in financial and demographic assumptions	(1,481,000)
504,000	Other (gains) and losses	29,000
<b>381,000</b>	<b>Total Actuarial (Gain)/Loss</b>	<b>(2,485,000)</b>
<b>935,000</b>	<b>Total post employment benefit charged to the CIES</b>	<b>(1,763,000)</b>
	<b>Movement in Reserves Statement</b>	
(315,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	(391,000)
(381,000)	Actuarial gain / (loss) on pension assets / liabilities	2,485,000
<b>239,000</b>	<b>Employers Contributions paid to Strathclyde Pension Fund</b>	<b>331,000</b>

## 14b: Assets and liabilities in relation to retirement benefits

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

2020/21 (restated) £000		2021/22 £000
<b>17,214</b>	<b>Opening present value</b>	<b>20,407</b>
430	Current service cost	670
80	Past service cost	0
399	Interest Cost	411
76	Employee Contributions	88
	<b>Remeasurement (gains)/losses:</b>	
2,583	Actuarial (gains)/losses arising from changes in financial/demographic assumptions	(1,452)
(2)	Unfunded benefits paid	(2)
(373)	Benefits Paid	(400)
<b>20,407</b>	<b>Closing present value of scheme liabilities</b>	<b>19,722</b>

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

2020/21 £000		2021/22 £000
<b>15,481</b>	<b>Opening Fair Value</b>	<b>17,978</b>
355	Interest Income	359
	<b>Remeasurement gain/(loss):</b>	
2,202	Return on assets excluding amounts included in net interest	1,033
237	Contributions from employer	329
76	Contributions from employee	88
2	Contributions in respect of unfunded benefits	2
(2)	Unfunded benefits paid	(2)
(373)	Benefits Paid	(400)
<b>17,978</b>	<b>Closing fair value of scheme assets</b>	<b>19,387</b>

## 14c: Fund history

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 (restated) £000	2021/22 £000
Present Value of Liabilities	(17,220)	(19,321)	(17,214)	(20,407)	(19,722)
Fair value of assets	15,544	16,238	15,481	17,978	19,387
<b>Surplus/(deficit) in the scheme</b>	<b>(1,676)</b>	<b>(3,083)</b>	<b>(1,733)</b>	<b>(2,429)</b>	<b>(335)</b>

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

The total liability of (£255k) has a substantial impact on the net worth of the Board as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Board remains assured. The deficit on the Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary. The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2023 is £329k.

## 14d: Impact on cashflows

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

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

## 14e: Basis for estimating assets and liabilities

The Board's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of Actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2021.

The principal assumptions used by the actuary were as follows:

2020/21	Mortality assumptions	2021/22
<b>Longevity at 65 for current pensioners (years)</b>		
19.8	Men	19.6
22.6	Women	22.4
<b>Longevity at 65 for Future pensioners (years)</b>		
21.2	Men	21.0
24.7	Women	24.5
<b>Other assumptions</b>		
3.55%	Rate of increase in salaries	3.90%
2.85%	Rate of increase in pensions	3.20%
2.00%	Rate for discounting scheme liabilities	2.70%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The value of the pension fund liability is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

Impact on the Pension Scheme liability:	%	£
0.1% decrease in Real Discount Rate	2%	371
0.1% increase in Salary Increase Rate	0%	56
0.1% increase in Pension Increase Rate	2%	312

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

2020/21 £000		%	2021/22 £000
7,410	Equity instruments	41.6%	8,067
	Private Equity		
1,463	Real Estate	8.4%	1,635
8,769	Investment Funds and Unit Trusts	47.4%	9,192
(1)	Derivatives	0.0%	0
337	Cash and Cash	2.5%	493
<b>17,978</b>	<b>Total</b>	<b>100.0%</b>	<b>19,387</b>

## Note 15: Events after the Balance Sheet date

Events taking place after the authorised date for issue per the Balance Sheet are not reflected in the financial

statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There are no non-adjusting events.

## Note 16: 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 £20.3k and £40.6k for Renfrewshire Valuation Joint Board. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

## Note 17: Summary of Significant Accounting Policies

### A General Principles

The Annual Accounts summarise the Board's transactions for the 2021/22 financial year and its financial position as at 31 March 2022. The Board is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting

Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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

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

## B Accruals of Expenditure and Income

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

In particular:

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

a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## C Provisions

Provisions are made where an event has taken place that gives the Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the CIES. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

## D Contingent Liabilities

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

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

## E Employee Benefits

### Benefits payable during employment

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

### Post-employment benefits

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

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

The liabilities of the Strathclyde Pension Fund attributable to the Board are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees.

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

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

quoted securities, and estimated fair value for unquoted securities.

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

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

- **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked;
- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;
- **net interest cost on the defined benefit liability** – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;
- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and

- **contributions paid to the pension fund** – cash paid as employer’s contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

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

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## F Events after the Balance Sheet date

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

There are two types of events:

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

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

## G Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

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

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Board’s financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

## H Government Grants and other Contributions

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

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

Amounts recognised as due to the Board are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied.

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

## I Leases

### Operating Leases: Board as Lessee

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

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

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

## J Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as plant and equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase price;

- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

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

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

### Impairment

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

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

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

### Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the CIES, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

### Depreciation

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

## K Intangible Assets

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

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

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

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

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

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

## L Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are

available to spend; and unusable reserves, which are unrealised net gains that have a deferred impact on the Board.

### Usable Reserves

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

### Unusable Reserves

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

## M Value Added Tax (VAT)

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

## Note 18: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 17, the Board has had to make certain judgements about complex transactions or those involving uncertainty about future events.

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

<b>Leases</b>	An analysis of the terms of the lease for the Robertson Centre has concluded that it is an operating lease.
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## Note 19: Assumptions made about the future

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

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

Item	Uncertainties
<b>Uncertainties</b>	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the Board with expert advice about the assumptions to be applied. Further detail can be found in Note 14.
<b>Effect if Results differ from Assumption</b>	The effects on the net pensions liability, valued at £0.335m at 31 March 2022, 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 liability of £0.371m equating to a 2% increase in scheme obligations.





# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 18<sup>th</sup> November 2022

**Subject:** Electoral Update Report

**Author:** Assessor & Electoral Registration Officer

## 1. Introduction

This report is to inform board members of any updates to Electoral Registration legislation and report to the Board on any electoral events.

## 2. 2022 Canvass

- 2.1 The 2022 canvass started on Monday 4<sup>th</sup> July 2022, with publication of the revised register due to take place by 1<sup>st</sup> December 2022.
- 2.2 As a precursor to the start of the canvass, National Data Matching of the register to the records of DWP took place on Monday 6<sup>th</sup> June 2022, with local data matching following. These matching stages help identify the appropriate form of communication to be issued to each household.
- 2.3 Where an email address was held then the initial contact was by email, and where there was no response then the appropriate letter was issued to the household. In other cases the initial contact was by letter. Where a response was required then there were a range of options for the elector to utilise including internet, phone and mail.
- 2.4 If an email address wasn't held or there was no response to an email then letters were sent to the property. Where all the electors in a household were data matched then a CCA letter was issued, this letter does not require a response unless the information on it isn't correct. A total of 101,639 CCA letters were issued. In circumstances where not all the electors in a household were data matched then a CCB letter is issued, this letter requires a response to either confirm that the electors shown on it are correct or to inform us of changes. There were 39,680 CCB letters issued.
- 2.5 The final stage of the canvass is a visit to the property for those households where a response was required and none received. This stage began at the end of August and involves visits to 23,346 properties. As at 8<sup>th</sup> November, only 1,132 visits are still to be completed.

## 3. Future Elections

- 3.1 At the time of writing no other elections are scheduled, however, as always this will be kept under review and should circumstances require, our staff will be able to deliver.

#### **4. Elections Act 2022**

- 4.1 The Elections Act 2022 received Royal Assent on 28<sup>th</sup> April 2022. The provisions of the Act come into force at various times and elements of it are subject to further Regulations. The main provisions that will impact the Board are the requirement for Voter ID for UK Parliamentary Elections, changes to the Postal Voting application process for the UK Parliamentary Elections and changes to the eligibility to be registered as an Overseas Elector will come into force at a later date.
- 4.2 The secondary legislation which details how the new voter ID measures will work in practice was laid in the UK Parliament on 3<sup>rd</sup> November 2022. This requirement will apply, in Scotland, to UK Parliamentary by-elections from early May 2023 and to UK Parliamentary General Elections taking place after 5<sup>th</sup> October 2023. Applications for the Voter Authority Certificate (VAC) will be able to be made online or by a paper application form from early January 2023. A VAC will only be required if an elector does not have another approved form of photo ID. The Elections Act sets out the full list of approved forms of ID but examples of approved photo ID's include passport, driving licence and Young Scot cards.
- 4.3 A significant amount of work is being undertaken to ensure that the online application portal being created by the Department for Leveling Up Housing and Communities (DLUHC) is fit for purpose and also with our Electoral Management System (EMS) to allow applications to be processed efficiently. Details of funding from DLUHC for this new burden are expected to be received in the near future.

#### **5 Absent Vote Identifier Refresh**

- 5.1 As required by Regulations, electors who have a postal or proxy vote whose signature on the personal identifiers record is more than 5 years old will be sent a notice requesting them to supply a fresh signature during January, voters will have six weeks to return a fresh signature or they will lose their postal or proxy vote. Where necessary a reminder will be issued after 3 weeks. There will be approximately 6300 signature refresh notices issued.

#### **6. Recommendations**

- i. The Board notes the contents of this report.

Robert Nicol  
Assessor and Electoral Registration Officer  
8<sup>th</sup> November 2022

For further information please contact Robert Nicol 07483921232  
Or via e-mail at [Robert.nicol@renfrewshire-vjb.gov.uk](mailto:Robert.nicol@renfrewshire-vjb.gov.uk)



# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 18<sup>th</sup> November 2022

**Subject:** Non-Domestic Rates Reform Update

**Author:** Assessor & Electoral Registration Officer

## 1. Background

It was agreed that the Board should be updated at each meeting on developments and expenditure arising from the Barclay Review.

The Non-Domestic Rates (Scotland) Act 2020 and associated Regulations are the main legislative means for introducing the Non-Domestic Rates reforms recommended by the Barclay Review

There are six main Barclay recommendations which are reflected in the Act, these are listed below:-

- i. The change of the revaluation cycle from 5 yearly to 3 yearly (starting 2023)
- ii. New property markers to be shown against properties in the Valuation Roll (April 2021)
- iii. Changes to valuation of properties within a Park (April 2023)
- iv. From the 2023 Revaluation going forward access will be given to a list of comparative subjects used to value a particular entry in the Valuation Roll
- v. The existing Appeals system to be changed to a two-stage appeal system (April 2023)
- vi. Information Gathering powers to be strengthened with Assessors issuing Civil Penalties to those who do not respond (April 2021)

The Scottish Assessor's Association (SAA) has had regular contact with the Scottish Government and has replied to consultations and appeared at committees as appropriate to ensure a consistent approach. Assessors will continue working jointly to ensure delivery of all these new duties and will also support ongoing development of the SAA Portal which provides information to ratepayers and their agents.

Assessors were asked to submit plans showing what actions and preparations Assessors were planning to carry out to ensure all the Barclay recommendations were fully implemented and delivered within the legislative timelines. These plans have been submitted and approved by the Scottish Government and they cover the period up to 2025 by which time all the recommendations of the Barclay review will be in place.

## **2. Staffing**

Retention and recruitment of Valuation staff remains a challenge. Since the last report two Property Assistants were successful at interview and have now become Trainee Technicians. Two new property assistants were recruited and recently started with us.

A recruitment process for Valuer / Senior Valuer during October did not receive any applications by the closing date and has been readvertised.

Discussions are continuing to take place with Renfrewshire Council's HR advisers to identify ways in which we can make posts within the VJB more attractive to help with both retention and recruitment, however it should be noted that this is an issue facing all Valuation Joint Boards and is not just restricted to RVJB.

## **3. Update on next Non-Domestic Revaluation**

The next Non-Domestic Revaluation is due in April 2023, with a Tone Date of April 2022. The Tone date is the date to which all valuations are tied, to ensure all non-domestic properties are valued at the same point in time.

Work has been undertaken to ensure that local systems are in place to assist the Valuation staff in undertaking the analysis of rental information and the revaluation of the approximately 14,000 Non-Domestic subjects within the Valuation Rolls of East Renfrewshire, Inverclyde and Renfrewshire.

The Valuation Timetable Amendment Order 2022 added the requirement to publish a draft Valuation Roll on 30<sup>th</sup> November in the year preceding a Revaluation, in addition The Non-Domestic Rates (Valuation Notices) (Scotland) Regulations 2022 place a new duty on the Assessor to issue draft Valuation Notices after 30<sup>th</sup> November and that these notices must, for certain categories of subject, include information on comparisons used to derive the basic valuation rate.

The team have been making excellent progress towards completing the Draft Valuation Roll. As at 8th November approximately 600 Draft Valuations remain to be completed and we are on target to publish the Draft Valuation Roll on 30<sup>th</sup> November.

Work has also taken place to identify Lands and Heritages within public parks that were exempt from entry in the Valuation Roll due to S19 Local Government (Financial Provisions) (Scotland) Act 1963 that may no longer be exempt once S5 of the Non-Domestic Rates (Scotland) Act 2020 comes into force on 1<sup>st</sup> April 2023. These will be shown in the Draft Valuation Roll to be published on 30<sup>th</sup> November and draft valuation notices will be issued to the Proprietor, Tenants and Occupiers shortly thereafter.

After publication of the Draft Valuation Roll attention turns towards the 2023 Revaluation Roll and catching up on business as usual maintenance of the Council Tax List and Valuation Roll which was paused for a period. While I expect the vast majority of valuations to remain unchanged between the Draft and Revaluation roll, we will need to consider any new information received, where possible, any representations against the draft values and also reflect any changes to properties that take place. The Revaluation Roll will be finalised on 15<sup>th</sup> March 2023 and will be effective from 1<sup>st</sup> April with Revaluation Notices being issued to Proprietor, Tenants and Occupiers after 15<sup>th</sup> March.

We continue to contribute to and benefit from joint working with the other Assessors throughout Scotland via the SAA as we work to establish values for properties where the valuation evidence is national rather than local. Examples of this would be Cinemas, Petrol Filling Stations, Hospitals etc. Joint working is also taking place with Valuation Officers in other jurisdictions for example the Valuation Office Agency on Telecommunication subjects.

#### **4. Changes to the Appeals System**

The transfer of the Local Appeal Committees into the Scottish Courts and Tribunals Service was due to take place from 1<sup>st</sup> January 2023. However, on 13<sup>th</sup> October we were informed that due to a delay in the Regulations that are necessary to enable the transfer of duties, this will now happen on 1<sup>st</sup> April 2023.

The Valuation (Proposals Procedure) (Scotland) Regulations 2022, Valuation Timetable (Scotland) Order 2022 and Valuation Roll and Valuation Notice (Scotland) Order 2022 are now scheduled to be laid in mid December 2022. These orders will also provide clarity on the new two stage proposal / appeal process that has similarly been delayed until 1<sup>st</sup> April 2023.

#### **5. Self-Catering Properties**

The legislation relating to self-catering properties changed with effect from 1<sup>st</sup> April 2022. To be classed as a non-domestic property the owner of a self-catering property will now be required to provide evidence of 70 days actual letting as well as 140 days intention to let. The letting must be on a commercial basis with a view to making a profit. The Assessor wrote to the owners of all self-catering properties within the RVJB area earlier this year to inform them of the change and will be writing to request the required evidence in the coming weeks.

#### **6. Information Gathering powers**

The new powers allow the Assessor to issue Assessor Information Notices (AINs), which if not responded to can lead to the Assessor issuing a Civil Penalty on the non-responder(s). The issuing of these AINs have begun, return of these will be closely monitored and where necessary Civil Penalties will be issued.

With assistance from Renfrewshire Council's Sundry Debt Team, processes are now agreed to assist in the collection of any Civil Penalties raised through these new powers for all three of the Board's councils.

When civil penalties are issued the revenue raised is due to be paid into the Scottish Governments Consolidated Fund (net of any costs). These processes will be kept under review and Scottish Government will be updated regularly on any monies raised which are due to them via the Consolidated Fund.

#### **7. IT Valuation System**

Development of this system continues with the aim of going live at a suitable time for service delivery.

## 8. Recommendations

- i. The Board notes this report.

Robert Nicol  
Assessor and Electoral Registration Officer  
8<sup>th</sup> November 2022

For further information please contact Robert Nicol at [07483921232](tel:07483921232)  
or via e-mail at [robert.nicol@renfrewshire-vjb.gov.uk](mailto:robert.nicol@renfrewshire-vjb.gov.uk)



# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 18<sup>th</sup> November 2022

**Subject:** Non-Domestic Appeals

**Author:** Assistant Assessor & Electoral Registration Officer

## Introduction

The purpose of this report is to brief members on the appeal process and report progress not only on disposal of Revaluation appeals, but the disposal of Running Roll Appeals received since the 2017 Revaluation.

### 1. Background

A 5-yearly Revaluation process was introduced by the Valuation and Rating (Scotland) Act 1956. The previous revaluation was carried out as at 1<sup>st</sup> April 2010, the Revaluation due at 2015 was postponed by two years, therefore it has been seven years since the last revaluation. The 2017 Revaluation required the Assessor to value or revalue all of the lands and heritages in his valuation area. These valuations are totally fresh and need bear no relation to the value applied in the preceding 7 years.

The process involves the collection and analysis of rental, building cost and turnover data to establish the new levels of value to be applied to the various types of subjects. These valuations are then updated, the new valuation roll is published, and all interested parties notified. This process is founded on continuous processes but the bulk of the work in relation to the Revaluation is carried out in the 2 years preceding the date of the Revaluation.

### 2. Right of Appeal

The Revaluation brings with it a fresh right of appeal. This right of appeal has to be exercised within a six-month period starting on the 1st April in the year of the Revaluation or within six months of the date of issue of the Valuation Notice, whichever is later.

Any person to whom the Assessor has issued a Revaluation Notice is entitled to appeal. In practice this means the Proprietor, the Tenant or the Occupier of the property.

### 3. Negotiation of Appeals

Following citation of an appeal, it is normal practice for a member of the Assessor's staff to enter into negotiation with the appellant or the appellant's agent. In the majority of cases, these discussions will result in a settlement of the appeal without any need to present the appeal to the Valuation Appeal Committee; this settlement will be a withdrawal of the appeal by the appellant or an adjustment to the value by the Assessor.

If, however, the parties cannot reach agreement, the appeal will be presented to the Valuation Appeal Committee. In the normal course of events, a senior member of the Assessor's staff will lead the case, however depending on the complexity and legal arguments involved, it may require that Counsel is employed to lead the case for the Assessor. In all cases one or more members of the Assessor's staff will require to give evidence as an expert witness.

#### **4. Local Valuation Appeal Committee**

The Appeal Committee is drawn from the Renfrewshire Valuation Appeal Panel. The members of the Panel are appointed by the Sheriff Principal. They are all unpaid, are completely independent of the Assessor and the local councils and have no prior knowledge of any case listed for hearing.

In the case of highly complex appeals, either party has the right to request that the appeal is referred to the Lands Tribunal for Scotland. Referral is not undertaken lightly as it involves a considerable amount of preparatory work by several members of staff and may involve several days of examination, cross-examination and submissions in front of a suitably qualified legal representative and members who have experience in the valuation of land.

In all appeals, either party may appeal the decision of the Appeal Panel or Lands Tribunal. This appeal will be heard by the Lands Valuation Appeal Court (The Court of Session).

For information, the functions of the Valuation Appeals Committees were due to transfer to the new Local Taxation Chamber in the First-tier Tribunal for Scotland and the relevant functions of the Lands Tribunal for Scotland to the Upper Tribunal for Scotland with effect from 1<sup>st</sup> January 2023 but on the 13<sup>th</sup> October 2022, the Scottish Government announced the transfer would occur on the 1<sup>st</sup> April 2023. The suite of Regulations that are required to enable this transfer of duties will be laid in the Scottish Parliament until mid-December. As a result of this change the Government has also delayed the implementation of the two-stage proposal system for Non-Domestic rates until 1<sup>st</sup> April 2023.

The effects of this change are unknown at the present time and the Board will be kept informed when more information becomes available.

#### **5. Revaluation Appeals**

As members will be aware, the Revaluation brings with it a fresh right of appeal and traditionally results in a large influx of appeals. The 2017 Revaluation was no different having an increase of 6% on the number of 2010 Revaluation appeals. The total number of Revaluation Appeals received for 2017 is 3,832, which relates to 3,542 subjects with a cumulative value of £324,294,785.

A number of statistical extracts have been compiled to show the Revaluation Appeals received in 2017 and the subsequent running roll appeals. These have been shown by category type and map the categories used by the Scottish Executive; see Appendix 1. The 20 categories divide subjects into easily understood groupings such as Retail, Offices, Industrials, Health, Education and Hotels.

Category 11, titled "Public Service" includes subjects such as the Airport, Bus Station, Court House, Fire Station, Military Establishment, Police Station and Waste Water Treatment Works.

Category 17, titled "Others" includes subjects such as Car Parks, Car Spaces, Ground, Kennels, Livestock Auction Marts, Premises Under Reconstruction, Stables, Water Rights and Weighbridges.

Following a Revaluation, new values will generally remain unchanged until the next Revaluation; unless the property is altered, or other changes take place. New properties will be added to the Roll as they become capable of occupation and entries for demolished buildings will be deleted.

However, a Running Roll appeal can be lodged by a ratepayer or their agent on the grounds that there has been a Material Change of Circumstances which has affected the value of the property or on the basis of an error in the valuation at any time.

## **6. The disposal of 2017 Revaluation Appeals**

A number of statistical extracts have been compiled to show the 2017 Revaluation Appeals. These have been shown by the same category type as stated above, see Appendix 1.

As the Board is aware, the Assessor for Renfrewshire Valuation Joint Board is the “Designated Assessor” for fixed line Telecommunications subjects which are included at line 20 in the tables.

Normally, all Revaluation appeals must be cited for a local Valuation Appeal Committee hearing and disposed of by 31<sup>st</sup> December 2020. However, the Scottish Government extended the disposal date for 2017 Revaluation appeals to the 31<sup>st</sup> December 2021 and the Assessor discharged this statutory duty with only a small no of outstanding Revaluation appeals being referred to the Lands Tribunal prior to the disposal date.

The statistics provided within this report continue to be based on the quarterly progress made and relate to all revaluation appeals referred to the Lands Tribunal and processed over the last quarter up to the 30<sup>th</sup> September 2022. As at 30<sup>th</sup> September 2022 the numbers of appeals disposed of is 3,448 which equates to 97.35% of the number of subjects under appeal. There are therefore only 94 subjects within the Joint Board area that have Revaluation appeals outstanding.

The appeals that remain outstanding relate primarily to Automated Teller Machines which account for 86 of the 94, and due to the issues involved have been referred to the Lands Tribunal. Staff are actively engaging with the relevant parties to progress these appeals and since the 30<sup>th</sup> September a number of ATM appeals have been withdrawn by agents and the appeals disposed of by our valuation team.

The disposal of the additional category of subjects that remain outstanding relate to subjects for which negotiations are being led by the relevant Practice Note authors within the SAA and comprise mainly of civic/public buildings and public undertakings. As a consequence, any future progress in resolving these appeals will, in the main, be dependent upon negotiations being carried out at a national level before progress can be made locally. Since last reporting in September, there has been no change to the number of revaluation appeals relating to these subjects disposed of and that will remain the case until the national negotiations are concluded.

Appendix 1 outlines where the remaining appeals lie for each of the three unitary authorities together with a total for the Joint Board area.

## **7. The disposal of Running Roll Appeals**

In addition to the Revaluation appeals, Running Roll appeals require to be programmed into hearings and disposed of in line with the prescribed statutory timetable. Unlike the revaluation appeals which is a known quantity, running roll appeals are a moving target as ratepayers and their agents can lodge this type of appeal at least once in any one financial year. Therefore, whilst the revaluation appeals have steadily and progressively reduced throughout the quinquennium, the number of running roll appeals outstanding has fluctuated depending on numbers received and disposed of throughout this period.

As previously reported to the Board, the number of running roll appeals received since March 2020 has exponentially increased due to the Coronavirus pandemic and the situation facing many businesses. The position as of 30<sup>th</sup> September is that MCC appeals received since March 2020 total 6,161, the bulk of which, some 5585 relate to the Pandemic. We currently have a total of 5704 outstanding. At present we have continued to deal with non-Covid MCC appeals where possible and have to date disposed of 457 such appeals. I have provided additional tables similar to the Revaluation statistics in order to give the Board an indication as to the type of subjects for which appeals have been lodged and the numbers associated with each category.

Since 30<sup>th</sup> September 2022, withdrawals for some Coronavirus pandemic mcc appeals have been received from an agent and these withdrawals will show in the Non-Domestic Appeals Report presented at the February Board Meeting.

Appendix 2 outlines the current number of R/R appeal within RVJB and each of the individual Council areas that now require to be dealt with.

As reported previously at the September Board Meeting the Scottish Government have enacted legislation, similar to England, to prohibit Coronavirus being a material change of circumstance.

The Valuation and Rating (Coronavirus) (Scotland) Order 2021 came into force on 1<sup>st</sup> December 2021. The order sought to remove the impact of Coronavirus from being a material change of circumstances from 1<sup>st</sup> April 2021.

The Non-Domestic Rates (Coronavirus) (Scotland) Act came into force on 29<sup>th</sup> July 2022. The Act replaces The Valuation and Rating (Coronavirus) (Scotland) Order 2021, and the purpose of this Order has been superseded by Section 1 of the aforementioned Act.

The Act's principal rule is when calculating the net annual value or rateable value of any lands and heritages for the purposes of any entry in the valuation roll, no account is to be taken of any matter occurring on or after 2<sup>nd</sup> April 2020 whether directly or indirectly attributable to coronavirus. Discussions will recommence with stakeholder's agents regarding disposal of the large number of appeals.

The Scottish Government had extended the statutory deadline for disposal of running roll appeals lodged between 1<sup>st</sup> January 2020 and the 31<sup>st</sup> March 2021 to 31<sup>st</sup> December 2023. The disposal progress of these appeals will be monitored and reported to the Board at future meetings.

## **8. Disposal of Other Outstanding Appeals**

As outlined previously, if a case is considered highly complex it may be necessary for it to be referred to the Lands Tribunal for Scotland. At present there are a number of subjects that have cases from both the 2005 and 2010 Revaluations that have been referred to the Lands Tribunal, these relate to either mobile or complex fixed line telecommunication subjects. There are also a number of referrals that have been made with regard to the 2017 revaluation. Details of the numbers involved are outlined below. Negotiations continue with the relevant agents where possible and it is hoped that agreements will be reached without the need for any cases proceeding to formal hearings.

The number of appeals referred to the Lands Tribunal currently outstanding are as follows:

3 appeals remain outstanding from 2005 Revaluation in relation to 3 subjects.

9 appeals remain outstanding from 2010 Revaluation in relation to 3 subjects.

120 appeals have currently been referred in relation to the 2017 Revaluation and remain outstanding. Please note that 105 of these relate to ATM's and as mentioned earlier in the report, a number of the appeals have been disposed since the 30<sup>th</sup> September 2022.

### **Conclusion:**

The disposal of appeals is a major component of the work undertaken by the Assessor's valuation staff. It is work that can be stressful due to the strict legislative timetables and the adversarial nature of the negotiations.

Staff are to be congratulated in disposing of the 2017 Revaluation appeals in line with the statutory disposal date of 31<sup>st</sup> December 2021 with the small number of outstanding appeals being referred to the Lands Tribunal. Despite the legislation laid by the Scottish Government to ensure that no account can be taken of any matter occurring on or after 2<sup>nd</sup> April 2020 whether directly or indirectly attributable to coronavirus, it will be a challenge to dispose of the outstanding COVID MCC appeals. To put into context, the disposal timetable for the 3,542 revaluation appeals including the extension to the original disposal date has been four years, in comparison we have to the 31<sup>st</sup> December 2023 to dispose of just over 5,500 COVID MCC appeals whilst discharging the statutory duty of completing the 2023 Revaluation by March 2023 and carrying out amendments to the Valuation Roll and Valuation List for Council Tax.

A small number of COVID MCC appeals have been withdrawn by an agent and once the statutory duty of publishing the 2023 Revaluation Draft Valuation Roll on the 30<sup>th</sup> November is completed, resources will be targeted at these appeals. As stated at the September Board meeting, the management team will ensure all required support is available to staff to assist them in this highly unusual set of circumstances.

I would like to take this opportunity again to thank all members of the team for their commitment and professionalism in rising to the challenges faced particularly since March 2020 and successfully continuing to deliver the service.

It is hoped this gives an insight into the background of the appeal process and progress of revaluation and running roll appeals disposal to date.

### **Recommendations**

- i. The Board notes the contents of this report.

Lindsey Hendry  
Assistant Assessor and ERO  
7<sup>th</sup> November 2022

For further information please contact Lindsey Hendry at 0141-486-0635 or via email at [lindsey.hendry@renfrewshire-vjb.gov.uk](mailto:lindsey.hendry@renfrewshire-vjb.gov.uk)



## APPENDIX 1

### RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 30/09/2022 – **RENFREWSHIRE**)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adjusted RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	528	£ 63,147,350	528	£ 63,147,350	£ 58,499,250	0	£ -	0.00%
2 Public House	67	£ 2,482,000	67	£ 2,482,000	£ 2,198,900	0	£ -	0.00%
3 Office including Banks	526	£ 13,448,400	478	£ 12,919,925	£ 12,160,725	48	£ 528,475	9.13%
4 Hotel Etc	18	£ 6,229,500	18	£ 6,229,500	£ 5,212,500	0	£ -	0.00%
5 Industrial	443	£ 30,604,205	443	£ 30,604,205	£ 29,231,155	0	£ -	0.00%
6 Leisure	46	£ 5,977,950	46	£ 5,977,950	£ 5,489,450	0	£ -	0.00%
7 Garages and Petrol Stations	19	£ 1,003,500	19	£ 1,003,500	£ 912,000	0	£ -	0.00%
8 Cultural	3	£ 136,200	3	£ 136,200	£ 136,200	0	£ -	0.00%
9 Sporting Subjects	3	£ 136,000	2	£ 74,000	£ 66,500	1	£ 62,000	33.33%
10 Education and Training	76	£ 13,701,350	76	£ 13,701,350	£ 12,691,000	0	£ -	2.63%
11 Public Service Subjects	89	£ 5,590,000	88	£ 4,735,000	£ 4,450,400	1	£ 855,000	1.12%
12 Communications (Non Formula)	13	£ 1,965,000	13	£ 1,965,000	£ 1,486,629	0	£ -	0.00%
13 Quarries Mines etc	1	£ 21,500	1	£ 21,500	£ 21,500	0	£ -	0.00%
14 Petrochemical	2	£ 239,000	2	£ 239,000	£ 229,000	0	£ -	0.00%
15 Religious	11	£ 127,600	11	£ 127,600	£ 124,400	0	£ -	0.00%
16 Health Medical	22	£ 4,890,200	22	£ 4,890,200	£ 4,447,350	0	£ -	0.00%
17 Other	185	£ 3,020,970	185	£ 3,020,970	£ 1,551,930	0	£ -	0.00%
18 Care Facilities	52	£ 2,498,800	52	£ 2,498,800	£ 2,304,200	0	£ -	0.00%
19 Advertising	38	£ 121,140	38	£ 121,140	£ 102,340	0	£ -	0.00%
20 Undertakings / Fixed Line	8	£ 98,306,000	4	£ 91,888,000	£ 67,483,000	4	£ 6,418,000	50.00%
	2,150	£ 253,646,665	2,096	£ 245,783,190	£ 208,798,429	54	£ 7,863,475	2.51%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 30/09/2022 – **EAST RENFREWSHIRE**

Category	Number Received	RV under Appeal	Disposed	Original RV	Adjusted RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	180	£ 11,304,000	180	£ 11,304,000	£ 10,256,550	0	£ -	0.00%
2 Public House	12	£ 963,750	12	£ 963,750	£ 844,650	0	£ -	0.00%
3 Office including Banks	118	£ 2,330,950	93	£ 2,123,150	£ 1,905,450	25	£ 207,800	21.19%
4 Hotel Etc	5	£ 635,000	5	£ 635,000	£ 554,000	0	£ -	0.00%
5 Industrial	85	£ 1,175,105	85	£ 1,175,105	£ 1,154,855	0	£ -	0.00%
6 Leisure	13	£ 2,248,000	13	£ 2,248,000	£ 2,196,000	0	£ -	0.00%
7 Garages and Petrol Stations	8	£ 205,850	8	£ 205,850	£ 190,400	0	£ -	0.00%
8 Cultural	0	£ -	0	£ -	£ -	0	£ -	0.00%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	31	£ 6,885,000	31	£ 6,885,000	£ 6,553,500	0	£ -	0.00%
11 Public Service Subjects	36	£ 1,319,940	36	£ 1,319,940	£ 1,225,440	0	£ -	0.00%
12 Communications (Non Formula)	7	£ 861,500	7	£ 861,500	£ 563,278	0	£ -	0.00%
13 Quarries Mines etc	1	£ 60,000	1	£ 60,000	£ 60,000	0	£ -	0.00%
14 Petrochemical	0	£ -	0	£ -	£ -	0	£ -	0.00%
15 Religious	4	£ 11,700	4	£ 11,700	£ 11,700	0	£ -	0.00%
16 Health Medical	7	£ 919,900	7	£ 919,900	£ 872,000	0	£ -	0.00%
17 Other	22	£ 108,950	22	£ 108,950	£ 101,850	0	£ -	0.00%
18 Care Facilities	19	£ 918,200	19	£ 918,200	£ 805,550	0	£ -	0.00%
19 Advertising	13	£ 55,100	13	£ 55,100	£ 43,850	0	£ -	0.00%
20 Undertakings / Fixed Line	2	£ 305,800	2	£ 305,800	£ 279,800	0	£ -	0.00%
	563	£ 30,308,745	538	£ 30,100,945	£ 27,618,873	25	£ 207,800	4.44%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 30/09/2022 – **INVERCLYDE**)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adjusted RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	245	£ 12,093,100	245	£ 12,093,100	£ 11,131,250	0	£ -	0.00%
2 Public House	28	£ 1,147,500	28	£ 1,147,500	£ 1,014,900	0	£ -	0.00%
3 Office including Banks	171	£ 5,767,375	158	£ 5,558,700	£ 5,373,750	13	£ 208,675	7.60%
4 Hotel Etc	2	£ 171,500	2	£ 171,500	£ 170,000	0	£ -	0.00%
5 Industrial	153	£ 3,917,550	153	£ 3,917,550	£ 3,801,150	0	£ -	0.00%
6 Leisure	25	£ 1,812,500	25	£ 1,812,500	£ 1,613,000	0	£ -	0.00%
7 Garages and Petrol Stations	15	£ 451,300	15	£ 451,300	£ 445,300	0	£ -	0.00%
8 Cultural	1	£ 80,000	1	£ 80,000	£ 80,000	0	£ -	0.00%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	34	£ 7,564,550	34	£ 7,564,550	£ 7,221,050	0	£ -	0.00%
11 Public Service Subjects	61	£ 2,763,800	59	£ 1,901,800	£ 1,760,300	2	£ 862,000	3.28%
12 Communications (Non Formula)	9	£ 637,200	9	£ 637,200	£ 536,682	0	£ -	0.00%
13 Quarries Mines etc	0	£ -	0	£ -	£ -	0	£ -	0.00%
14 Petrochemical	0	£ -	0	£ -	£ -	0	£ -	0.00%
15 Religious	2	£ 57,400	2	£ 57,400	£ 57,400	0	£ -	0.00%
16 Health Medical	11	£ 2,886,550	11	£ 2,886,550	£ 2,668,050	0	£ -	0.00%
17 Other	41	£ 261,000	41	£ 261,000	£ 222,250	0	£ -	0.00%
18 Care Facilities	24	£ 704,300	24	£ 704,300	£ 644,200	0	£ -	0.00%
19 Advertising	7	£ 23,750	7	£ 23,750	£ 17,950	0	£ -	0.00%
20 Undertakings / Fixed Line	0	£ -	0	£ -	£ -	0	£ -	0.00%
	829	£ 40,339,375	814	£ 39,268,700	£ 36,757,232	15	£ 1,070,675	1.81%

RVJB Revaluation 2017 – Appeals (By number of subjects under appeal as at 30/09/2022 – **TOTALS IN JOINT BOARD AREA**)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adjusted RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	953	£ 86,544,450	953	£ 86,544,450	£ 79,887,050	0	£ -	0.00%
2 Public House	107	£ 4,593,250	107	£ 4,593,250	£ 4,058,450	0	£ -	0.00%
3 Office including Banks	815	£ 21,546,725	729	£ 20,601,775	£ 19,439,925	86	£ 944,950	10.55%
4 Hotel Etc	25	£ 7,036,000	25	£ 7,036,000	£ 5,936,500	0	£ -	0.00%
5 Industrial	681	£ 35,696,860	681	£ 36,696,860	£ 34,187,160	0	£ -	0.00%
6 Leisure	84	£ 10,038,450	84	£ 10,038,450	£ 9,298,450	0	£ -	0.00%
7 Garages and Petrol Stations	42	£ 1,660,650	42	£ 1,660,650	£ 1,547,700	0	£ -	0.00%
8 Cultural	4	£ 216,200	4	£ 216,200	£ 216,200	0	£ -	0.00%
9 Sporting Subjects	3	£ 136,000	2	£ 74,000	£ 66,500	1	£ 62,000	33.33%
10 Education and Training	141	£ 28,150,900	141	£ 28,150,900	£ 26,465,550	0	£ -	0.00%
11 Public Service Subjects	186	£ 9,673,740	183	£ 7,956,740	£ 7,436,140	3	£ 1,717,000	1.61%
12 Communications (Non Formula)	29	£ 3,463,700	29	£ 3,463,700	£ 2,586,589	0	£ -	0.00%
13 Quarries Mines etc	2	£ 81,500	2	£ 81,500	£ 81,500	0	£ -	0.00%
14 Petrochemical	2	£ 239,000	2	£ 239,000	£ 229,000	0	£ -	0.00%
15 Religious	17	£ 196,700	17	£ 196,700	£ 193,500	0	£ -	0.00%
16 Health Medical	40	£ 8,696,650	40	£ 8,696,650	£ 7,987,400	0	£ -	0.00%
17 Other	248	£ 3,390,920	248	£ 3,390,920	£ 1,876,030	0	£ -	0.00%
18 Care Facilities	95	£ 4,121,300	95	£ 4,121,300	£ 3,753,950	0	£ -	0.00%
19 Advertising	58	£ 199,990	58	£ 199,990	£ 164,140	0	£ -	0.00%
20 Undertakings / Fixed Line	10	£ 98,611,800	6	£ 92,193,800	£ 67,762,800	4	£ 6,418,000	40.00%
	3,542	£ 324,294,785	3,448	£ 315,152,835	£ 273,174,534	94	£ 9,141,950	2.65%

## APPENDIX 2

**RENFREWSHIRE** - Running Roll Appeals (All) Received on/or after 01/03/20

**As at 30<sup>th</sup> September 2022**

Category	Number Received	Disposed	Number O/S	% O/S
1 Retail	1,097	67	1,030	93.89%
2 Public House	103	3	100	97.09%
3 Office including Banks	1,158	47	1,111	95.94%
4 Hotel Etc	28	1	27	96.43%
5 Industrial	1,038	42	996	95.95%
6 Leisure	78	3	75	96.15%
7 Garages and Petrol Stations	31	5	26	83.87%
8 Cultural	4	1	3	75.00%
9 Sporting Subjects	11	0	11	100.00%
10 Education and Training	80	2	78	97.50%
11 Public Service Subjects	92	8	84	91.30%
12 Communications (Non Formula)	20	5	15	75.00%
13 Quarries Mines etc	0	0	0	0.00%
14 Petrochemical	3	0	3	100.00%
15 Religious	0	0	0	0.00%
16 Health Medical	9	0	9	100.00%
17 Other	92	22	70	76.09%
18 Care Facilities	41	1	40	97.56%
19 Advertising	95	3	92	96.84%
20 Undertakings	10	0	10	100.00%
	3,990	210	3,780	94.74%

**EAST RENFREWSHIRE - Running Roll Appeals (All) Received**  
on/or after 01/03/20

**As at 30<sup>th</sup> September 2022**

Category	Number Received	Disposed	Number O/S	% O/S
1 Retail	217	27	190	87.56%
2 Public House	17	0	17	100.00%
3 Office including Banks	149	17	132	88.59%
4 Hotel Etc	7	1	6	85.71%
5 Industrial	37	2	35	94.59%
6 Leisure	20	1	19	95.00%
7 Garages and Petrol Stations	10	0	10	100.00%
8 Cultural	0	0	0	0.00%
9 Sporting Subjects	6	1	5	83.33%
10 Education and Training	37	3	34	91.89%
11 Public Service Subjects	26	0	26	100.00%
12 Communications (Non Formula)	15	4	11	73.33%
13 Quarries Mines etc	2	0	2	100.00%
14 Petrochemical	0	0	0	0.00%
15 Religious	1	0	1	0.00%
16 Health Medical	1	1	0	0.00%
17 Other	6	2	4	66.67%
18 Care Facilities	16	2	14	87.50%
19 Advertising	29	0	29	100.00%
20 Undertakings	0	0	0	0.00%
	596	61	535	89.77%

**INVERCLYDE** - Running Roll Appeals (All) Received on/or after 01/03/20

**As at 30<sup>th</sup> September 2022**

Category	Number Received	Disposed	Number O/S	% O/S
1 Retail	607	125	482	79.41%
2 Public House	39	1	38	97.44%
3 Office including Banks	396	31	365	92.17%
4 Hotel Etc	1	0	1	100.00%
5 Industrial	228	14	214	93.86%
6 Leisure	26	0	26	100.00%
7 Garages and Petrol Stations	13	0	13	100.00%
8 Cultural	1	1	0	0.00%
9 Sporting Subjects	1	0	1	100.00%
10 Education and Training	60	0	60	100.00%
11 Public Service Subjects	62	0	62	100.00%
12 Communications (Non Formula)	17	3	14	0.00%
13 Quarries Mines etc	0	0	0	0.00%
14 Petrochemical	0	0	0	0.00%
15 Religious	2	0	2	100.00%
16 Health Medical	14	2	12	85.71%
17 Other	58	8	50	86.21%
18 Care Facilities	36	1	35	97.22%
19 Advertising	13	0	13	100.00%
20 Undertakings	1	0	1	0.00%
	<b>1,575</b>	<b>186</b>	<b>1,389</b>	<b>88.19%</b>

**RVJB** Running Roll Appeals (All) Received on/or after  
01/03/20

**As at 30<sup>th</sup> September 2022**

Category	Number Received	Disposed	Number O/S	% O/S
1 Retail	1,921	219	1,702	88.60%
2 Public House	159	4	155	97.48%
3 Office including Banks	1,703	95	1,608	94.42%
4 Hotel Etc	36	2	34	94.44%
5 Industrial	1,303	58	1,245	95.55%
6 Leisure	124	4	120	96.77%
7 Garages and Petrol Stations	54	5	49	90.74%
8 Cultural	5	2	3	60.00%
9 Sporting Subjects	18	1	17	94.44%
10 Education and Training	177	5	172	97.18%
11 Public Service Subjects	180	8	172	95.56%
12 Communications (Non Formula)	52	12	40	76.92%
13 Quarries Mines etc	2	0	2	100.00%
14 Petrochemical	3	0	3	100.00%
15 Religious	3	0	3	100.00%
16 Health Medical	24	3	21	87.50%
17 Other	156	32	124	79.49%
18 Care Facilities	93	4	89	95.70%
19 Advertising	137	3	134	97.81%
20 Undertakings	11	0	11	100.00%
	6,161	457	5,704	92.58%



# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 18<sup>th</sup> November 2022

**Subject:** Performance Report

**Author:** Assistant Assessor & Electoral Registration Officer

## 1. Introduction

This performance report covering the first six months of the rating year provides an update to the ongoing reporting of performance to the members and is intended to keep members informed of current performance and workload issues facing the Board.

## 2. Council Tax

The main work involved in Council Tax at the moment remains the addition of new houses to the Valuation List and the deletion of demolished houses. I include a summary of new additions to the Council Tax List for information.

### 2.1 Time taken to enter new houses into the Valuation (Council Tax) List

#### Period 1st April 2022 to 30th September 2022

Council Area	No. Added	Within 3 months	%age of total added	Between 3 and 6 months	%age of total added	Added within 6 months	More than 6 months	%age of total added
Renfrewshire	445	440	98.88%	2	0.45%	99.33%	3	0.67%
East Renfrewshire	322	317	98.45%	4	1.24%	99.69%	1	0.31%
Inverclyde	136	134	98.53%	0	0.00%	98.53%	2	1.47%
<b>RVJB totals</b>	<b>903</b>	<b>891</b>	<b>98.67%</b>	<b>6</b>	<b>0.66%</b>	<b>99.33%</b>	<b>6</b>	<b>0.67%</b>

The performance target of 95% within three months and 97.0% within 6 months has been exceeded with our key performance indicators showing 98.67% and 99.33% respectively. This is an achievement for staff to maintain these high levels of performance in addition to carrying out the work involved to deliver the 2023 Revaluation earlier than ever before, with the Assessor required by legislation to publish the Draft Valuation Roll and the resultant valuations on the 30<sup>th</sup> November 2022.

In the period from 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022, the average number of days taken to add a house was as follows:

Council Area	No. Added	Average No. of Days
Renfrewshire	445	22.44
East Renfrewshire	322	22.52
Inverclyde	136	28.13
<b>RVJB Totals</b>	<b>903</b>	<b>23.32</b>

This measure exceeds our normal target of 38 days with the average number of days taken to a house being 23.32.

## 2.2 Information on Deletions from the Council Tax List

The main reasons for deleting a property from the valuation list would be: where the property is demolished, where a house is now being used for Non-domestic purposes or where two or more houses are combined to form one house.

### 2.2.1 Number of Deletions from the Valuation (Council Tax) List between 1<sup>st</sup> April to 30<sup>th</sup> September during 2021 and 2022

Council Area	No. Deleted 2021	No. Deleted 2022
Renfrewshire	5	19
East Renfrewshire	1	6
Inverclyde	44	31
<b>RVJB Total</b>	<b>50</b>	<b>56</b>

## 3. Non-domestic Valuation

One of the main areas of work in non-domestic valuation is the maintenance of the Valuation Roll. The table below is a summary of the statutory amendments to the Valuation Roll over the last six months. These are new entries being added to the Roll, entries being deleted or properties that have been altered.

### 3.1 Time taken to make statutory amendments to the Valuation Roll (excluding appeal settlements and amendments to prescribed entries)

Period 1st April 2022 to 30th September 2022

Council Area	No. of Alt'ns	Within 3 months	%age of total added	Between 3 and 6 months	%age of total added	Added within 6 months	More than 6 months	%age of total added
Renfrewshire	121	85	70.25%	25	20.66%	90.91%	11	9.09%
East Renfrewshire	87	43	49.43%	41	47.134%	96.56%	3	3.45%
Inverclyde	38	23	60.43%	8	21.05%	81.48%	7	18.42%
<b>RVJB totals</b>	<b>246</b>	<b>151</b>	<b>61.38%</b>	<b>74</b>	<b>30.08%</b>	<b>91.46%</b>	<b>21</b>	<b>8.54%</b>

The above alterations to the Valuation Roll are value changes only and do not reflect alterations where overall value is unchanged, changes to occupancy details or other administrative changes.

The performance target of 50% to be actioned within 3 months and 75% within 6 months has been exceeded with our key performance indicators showing 66.89% and 94.04% respectively.

Please note current performance is well above the targets set for this year however, this may diminish as staff have been heavily involved with discharging the statutory duty of preparing and publishing the Draft Valuation Roll on the 30<sup>th</sup> November 2022 for the 2023 Revaluation. The 2023 Revaluation is the first time the tone date, in which all values reflect, is only one year before all values come into force on the 1<sup>st</sup> April 2023. Normally there are two years between the tone date and the date the values come into force and the shortened timescale to determine valuations, in conjunction with other pressures as a result of non-domestic rates reform, has impacted the maintenance of the Valuation Rolls in each constituent authority.

#### 4. General Conclusions

The performance levels detailed above are in line with our expectations at this point in the rating year.

#### 5. Recommendations

- i. The Board note the contents of this report.

Lindsey Hendry  
Assistant Assessor & ERO  
7<sup>th</sup> November 2022

For further information please contact Lindsey Hendry on 0141 487 0635 or via email [lindsey.hendry@renfrewshire-vjb.gov.uk](mailto:lindsey.hendry@renfrewshire-vjb.gov.uk)

