

# GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE

**To:** Joint Committee

**On:** 10 June 2019

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**Report by:** The Treasurer and the Strategic Development Plan Manager

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**Heading:** Unaudited Annual Accounts 2018-19

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## 1. Summary

- 1.1 The attached Annual Accounts for the year ended 31 March 2019 have been completed and forwarded to Audit Scotland for audit.
- 1.2 The accounts show a surplus for the year of £66,422 against a budgeted breakeven position. Further comments on the accounts are shown on pages 4 to 6 of the report.
- 1.3 In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the unaudited accounts have only been signed by the Treasurer as proper officer. The audited accounts will be signed by the Convener and the Strategic Development Plan Manager, as well as the Treasurer, in accordance with the regulations.

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## 2 Recommendations

- 2.1 The Joint Committee is asked to note the Accounts and that, once the audit has been completed, the Accounts will be further presented to the Joint Committee for approval.
- 2.2 To approve the annual governance statement at pages 10 to 12 of the financial statements.





Glasgow and the Clyde Valley  
Strategic Development Planning Authority

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Annual Financial Statements 2018/19



**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2018/19**

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## **Management Commentary**

### **Introduction**

The requirements governing the format and content of local authorities' annual accounts (under s106 of the Local Government (Scotland) Act 1973 joint boards and committees are classed as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"). The annual accounts are prepared in line with The Local Authority Accounts (Scotland) Regulations 2014.

### **History and Statutory Background**

In 2008 the Scottish Government established Strategic Development Planning Authorities for each of the four Scottish city regions. This created the Glasgow and Clyde Valley Strategic Development Planning Authority (GCVSDPA). The principal role of the GCVSDPA is to prepare and maintain an up to date Strategic Development Plan (SDP) for the region. This process involves engagement through joint working and consultation with key stakeholder organisations and the wider community. In 2014 the GCVSDPA rebranded as Clydeplan to improve recognition and gain wider resonance within the region.

GCVSDPA is a Joint Committee formed under section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is comprised of the eight local authorities of East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire. A Joint Committee is not a separate legal entity, therefore, to ensure the actions of the GCVSDPA have legal effect it must appoint a 'lead authority' with legal personality to act on its behalf to implement its decisions. The lead authority appointed to act for GCVSDPA is Renfrewshire Council.

The Joint Committee is supported by a Steering Group comprising the SDP Manager and the Chief Planning Officers (or their representatives) of each of the member authorities. The Steering Group meets at least four times a year to consider SDP reviews, consultations and reports to be presented to the Joint Committee and the work programme to be undertaken by the core team for the SDP.

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) was formed in 2006 to develop a co-ordinated approach that will deliver major improvement in the scale and quality of green network provision across Glasgow Clyde Valley.

There is a strong relationship between the GCVSDPA and the GCVGNP: The SDP manager and assistant manager are Chair and Vice Chair of the GNP Board; the GCVSDPA Joint Committee acts for its constituent local authorities to agree local authority funding to support the GNP Business Plan; the GCVSDPA Joint Committee approves the GNP business plan and revenue estimates, in respect of local authority contributions only; progress against business plan targets are monitored annually by the Joint Committee; the executive team of the SDP and GNP share offices in West Regent Street, Glasgow.

As well as the SDP manager, the GCVGNP board is comprised of senior employees from the eight local authorities and four government agencies (Forestry Commission Scotland, Scottish National Heritage, Scottish Environmental Protection Agency and Glasgow Centre for Population Health). The relationship between the GCVSDPA and the GCVGNP is not a joint arrangement and so outside the scope of IFRS 11 (Joint Arrangements).

### **The Strategic Development Plan**

The SDP sets out a development strategy over the next 20 years of where new development should be located and a policy framework to help deliver sustainable economic growth and enhance the quality of life in the Glasgow City Region. The current SDP was approved by Scottish Ministers on the 24<sup>th</sup> July 2017.

2018/19 saw several important developments in respect of strategic development planning which will have significant implications for the future role and work of the GCVSDPA.

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Firstly, the ongoing review of planning governance has continued with the Planning Bill introduced by the Cabinet Secretary for Communities, Social Security and Equalities, Angela Constance MSP, on 4 December 2017. The Bill as then introduced sought to remove the statutory duty to prepare an SDP however after the completion of its Stage 2 considerations in November 2018 this statutory duty remains. It is anticipated however that at Stage 3, which is expected to be held in June 2019, the Minister for Local Government, Housing and Planning will again bring forward an amendment to remove this statutory duty.

Secondly, the direction of travel set within the Bill towards effective bespoke regional partnerships, combined with the continuing development of the Glasgow City Region's Economic Strategic and Action Plan published in February 2017, continue to have implications for the day to day activities of this organisation. In addition to the appointment of a Director of Regional Economic Growth at Glasgow City Region, 3 portfolio lead officers have been appointed on a seconded basis to assist in developing the activities of the 8 city region portfolios. Clydeplan is now an active participant on a number of these groupings including:

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

The GCVSDPA is for example providing direct technical support these individual portfolios as well as the City Deal Programme Management Office. In particular, the Land Use Portfolio is committed to the production of a '*Regional Spatial Strategy*' and Clydeplan will play an active role in supporting its preparation. Clydeplan's involvement in these City Region activities is likely to increase during 2019/20 with the potential for office relation to the City Region.

The principle focus for 2019/20 will involve working closely with the GCVSDPA Steering Group to: consider the implications of the emerging Planning legislation and develop an appropriate work programme in support of the work streams emerging for both the GCVSDPA and the Glasgow City Region portfolios.

In January 2019 the Scottish Government provided feedback on the GCVSDPA's Planning Performance Framework 2017/18. The GCVSDPA's performance was assessed as being very positive on its plan preparation performance and its collaborative approach to sharing good practice, skills and knowledge between authorities, with all categories rated as green, with its "culture of continuous improvement" assessed as amber.

The GCVSDPA published both its Annual Report and its Development Plan Scheme and Participation Statement in March 2019.

### **Primary Financial Statements**

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

The annual accounts summarise the committee's transaction for the year and its year-end position at 31 March 2019. 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 Committee.

For 2018/19 and the comparative prior years, there are a number of changes to the presentation of this year's financial statements. Firstly, the results of the Glasgow and Clyde Valley Green Network Partnership, previously contained in a Note to the accounts, are now consolidated into the Primary



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Statements. All of the figures referred to in this commentary, therefore, relate to the combined results of the GCVSDPA, incorporating GCVGNP.

Secondly, there is no longer a Cashflow Statement reported. This is because the Committee does not have a bank account. Apart from petty cash, all transactions are accounted for through Renfrewshire Council as administering authority.

Pension figures for 2017/18 were revised in late 2018 and were found to be misstated in the 2017/18 accounts. This has now been corrected by showing a restated CIES, MIRS and Unusable Reserves note.

It has been reported in previous years that the Committee had “no specific powers to retain reserves to meet future funding requirements” and therefore any accumulated surpluses were transferred to Creditors in the balance sheet each year. However, in keeping with the substance of actual practice and in line with similar bodies across Scotland, the Committee now reports accumulated CIES surpluses as a Usable Reserve and the Balance Sheet has therefore been restated to report this way. It should be noted that this reserve is still ultimately due to constituent authorities, should it be distributed at any point in the future.

Consequently, the balance sheet has been restated to reflect the impact of these changes in accounting treatment and accounting estimates, showing the opening position at 1 April 2017 by including a third comparative year. Further detail on the restatement can be found in Note 2: Prior Year Restatement on page 21.

## **Financial Performance**

### **Revenue**

The Comprehensive Income and Expenditure Statement on page 18 summarises the total costs of providing services and the income available to fund those services.

The Joint Committee has returned a surplus of £66,422 for the financial year 2018/19. This is comprised of a surplus in Glasgow & the Clyde Valley of £62,455 and a surplus in Green Network Partnership of £3,967. The overall surplus excludes accounting adjustments relating to pensions and short-term accumulating compensated absences. The difference between the employee costs figure below and the figure reported in the Comprehensive Income and Expenditure Statement is due to the accounting adjustments for pension costs £90,000 and accrued employee benefits of £582 for both Glasgow & the Clyde Valley and Green Network Partnership

A summary of the outturn position against the agreed budget for Glasgow Clyde Valley is shown below:

#### **Glasgow Clyde Valley**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	£	£	£
Employee Costs	448,800	465,967	(17,167)
Property Costs	67,500	58,909	8,591
Supplies and Services	74,700	78,043	(3,343)
Support Services	20,500	18,825	1,675
Payments to Other Bodies	1,000	1,840	(840)
Transport Payments	5,500	1,228	4,272
<b>Total Expenditure</b>	<b>618,000</b>	<b>624,812</b>	<b>(6,812)</b>
Requisition Income	(579,500)	(579,500)	-
Other Income	(38,500)	(107,767)	69,267
<b>Total Income</b>	<b>(618,000)</b>	<b>(687,267)</b>	<b>69,267</b>
<b>(Surplus)/Deficit for Year</b>	<b>-</b>	<b>(62,455)</b>	<b>62,455</b>

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The overspend in Employee Costs is mainly due to Salaries, whereby there was backfilling of a seconded post. Income has been received for the secondment from City Region Team to offset the salary cost.

The underspend in Property Costs is due to renting out office space for the year to an external body. Rent levels agreed under the lease extension, approved in August 2016, remain unchanged from previous levels.

The underspend in Supplies and Services is the result of Project Expenditure within Clyde Estuary Forum. This has been offset by Project Income and also underspends in IT Equipment, Plans and Maps, Advertising, Publicity and Marketing. The underspends are due to Strategic Development Plan and review of the Planning Bill, whereby, anticipated spend could not be consumed.

The overspend in Payments to Other Bodies is due to payments for Apprenticeship Levy, whereby 0.05% of salary costs is paid to Scottish Government to contribute towards apprenticeships.

Other Income is over recovered due to secondment income from City Region Team at Glasgow City Council. This is offset by the overspend in Employee Costs. Income has been received for the Clyde Estuary Forum to offset the expenditure through Supplies and Services.

A summary of the outturn position against the agreed budget for Glasgow Green Network is shown below:

**Green Network Partnership**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	£	£	£
Employee Costs	153,000	151,447	1,553
Property Costs	21,900	21,822	78
Supplies and Services	15,800	8,437	7,363
Support Services	18,000	19,241	(1,241)
Payments to Other Bodies	100	313	(213)
Transport Payments	1,200	1,543	(343)
<b>Total Expenditure</b>	<b>210,000</b>	<b>202,803</b>	<b>7,197</b>
Requisition Income	(93,386)	(93,386)	-
Other Income	(116,614)	(113,384)	(3,230)
<b>Total Income</b>	<b>(210,000)</b>	<b>(206,770)</b>	<b>(3,230)</b>
<b>(Surplus)/Deficit for Year</b>	<b>-</b>	<b>(3,967)</b>	<b>3,967</b>

The underspend in Supplies and Services and Support Services is due to reduced expenditure to offset the under-recovery of income.

Other income is under recovered due to a reduction in contribution for Glasgow City of Population Health to £7,000 and anticipated income from the White Cart NFM Study wasn't forthcoming as the project had been postponed

**Capital and Reserves**

The Joint Committee has no legal power conferred upon it to hold assets. Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are unrealised net gains that have a deferred impact on the Joint Committee. The largest creditor balance relates to the usable reserve balance of £339,204 for Glasgow Clyde Valley and £72,968 for Green Network.

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The balance on usable reserves is made up as follows:

<b>Glasgow Clyde Valley</b>		<b>Green Network</b>	
Earmarked Reserves	£173,332	Earmarked Reserves	£35,110
General Reserves	£165,872	General Reserves	£37,858
<b>Balance at 31 March 2019</b>	<b><u>£339,204</u></b>	<b>Balance at 31 March 2019</b>	<b><u>£72,968</u></b>

### **Provisions, Contingencies and Write-offs**

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

In general, any contingent liabilities known to the Joint Committee are covered by insurance arrangements.

There were no debt write-offs during the year.

### **Net Pension Position**

The disclosure requirements for pension benefits under IAS19 are detailed at Note 16. The appointed actuaries have confirmed a net liability position of £0.760 million, an increase of £0.462 million in their assessment of the position of the pension fund. This can be attributed to a reduction in the yield corporate bond at 31 March 2019 compared to the previous year, which increases the value of the obligations. This is partially offset by returns being greater than the 31 March 2018 rate. The net deficit position of the pension reserve impacts on the net asset position of the Joint Committee 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 however that the asset holdings of the Strathclyde Pension Scheme and the contributions from employees and employers provide sufficient security and income to meet future pension liabilities.

### **Service changes and Future Developments**

Subject to any amendments to the Planning (Scotland) Bill which will be considered at Stage 3 of the Bill's progress in June 2019 and given the Scottish Government's intention to remove strategic development plans from the hierarchy of development plans, likely the requirement for SDP3 will be removed. However, the Glasgow City Region's Economic Strategy and Action Plan contains a commitment to prepare a '*Regional Spatial Strategy*'. The GCVSPDA's and its Core Team will continue to have a significant role in that regard.

Depending on the finalised nature of the Planning (Scotland) Bill the governance arrangements for the GCVSDPA Joint Committee may require to be revisited over the next 12-18 months. This will also be dependent and influenced by the activities and approach of the Glasgow City Region and its Cabinet. The GCVSDPA will continue to keep its Joint Committee apprised of these significant contextual changes and will work closely with its partners to develop a work programme that remains relevant to the delivery of the SDP Vision and Spatial Development Strategy as well as the emerging Glasgow City Region agenda.

### **Events after the Balance Sheet Date**

Events from the Balance Sheet Date until the Date of Signing the Accounts have been taken into consideration.

### **Impact of Economic Climate**

The Joint Committee recognises the difficult financial climate facing local authorities and has continued to seek efficiencies wherever possible. It has been agreed that the level of requisition in 2019/20 remain at 2018/19 levels.

### **Conclusion**

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record my thanks to both the Strategic Development Plan Manager and his staff, and to my staff for their continued hard work and support.

## **Statement of Responsibilities for the Annual Accounts**

### **The Joint Committee's Responsibilities**

The Joint Committee is required:

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

### **The Treasurer's Responsibilities**

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this statement of accounts, the Treasurer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates which were reasonable and prudent;
- Complied with legislation;
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation);
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2019.

**Alan Russell CPFA**

Treasurer

10 June 2019

## **Governance Statement**

### **Scope of Responsibility**

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

### **The Joint Committee's Governance Framework**

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

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

The main features of our governance arrangements are summarised below:

- Minute of Agreement between the member councils of the Joint Committee, <https://www.clydeplan-sdpa.gov.uk/planning-authority/joint-committee>, setting out the arrangement for the preparation, monitoring and review of the Strategic Development Plan;
- The Joint Committee is supported by a Steering Group comprising planning professionals from each of the member councils and the Strategic Development Plan Manager;
- Development Plan Scheme and Participation Statement sets out the key timelines for the preparation of the Strategic Development Plan and the Joint Committee's approach to engagement with our stakeholders on its development, this is reviewed annually;
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations;
- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve the objectives of the Strategic Development Plan;
- Public performance reporting through the Annual Report;
- Policies to regulate employee related matters, including the employee code of conduct and disciplinary procedures;
- The Joint Committee approves, as part of the Glasgow and Clyde Valley Green Network Partnership's Terms of Reference, the allocation of local authority contributions to support the delivery of its Business Plan;
- Risk management arrangements including regular monitoring and review of significant risk exposures;
- Business continuity arrangements are in place and are kept under review by the management Team.

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

- Financial management is supported by comprehensive financial regulations and codes;

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

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

### **Review of Effectiveness**

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

The effectiveness of the governance framework is reviewed annually by the Strategic Development Plan Manager, including the use of a self-assessment tool involving completion of a 30 point checklist covering four key areas of governance:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity

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

The Joint Committee's internal audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process. The Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems.

The review has not identified any significant governance issues to be reported on for 2018/19 and no actions arising for the 2017/18 governance statement that require to be reported on.

### **Review of Scottish Planning System**

The ongoing review of the Scottish Planning System which has recommended the removal of Strategic Development Plans from the Development Plan hierarchy has created uncertainty about the statutory nature of Strategic Development Plans' and their related governance structures and processes.

The draft Planning Bill was introduced in December 2017. The Bill seeks to repeal the provisions requiring the formation of Strategic Development Planning Authorities and the production of Strategic Development Plans. If passed by the Scottish Parliament this will result in the cessation of Clydeplan as an entity in its current form.

The Planning Bill parliamentary scrutiny period is ongoing and it is anticipated that the Bill will be enacted in Autumn 2019 with transitional arrangements to the new system to follow thereafter. It is understood that these arrangements will be aligned to publication of the Scottish Government's new National Planning Framework 4 the timescales for which is likely to be 2021.

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As a consequence of the Bill the future role of strategic planning (and Clydeplan) in the Glasgow city region is currently under consideration by the Glasgow City Regional Economic Partnership. Clydeplan are actively participating in those discussions though no definitive decisions, regarding the role, functions, governance or staffing, have been made.

**Assurance**

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



## Remuneration report

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

### 1. Remuneration policy for elected members

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

### 2. Remuneration policy for senior employees

The Remuneration Policy of the Joint Committee is set in reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The salary of the Strategic Development Planning Manager is set at spinal point 29, which is currently the equivalent of 52.87% of the salary of the Chief Executive of Renfrewshire Council. These arrangements were agreed through approval of the Chief Officers' Award – Structure Plan Manager report at a meeting of the Joint Committee on 2<sup>nd</sup> December, 2002. The Assistant Strategic Development Planning Manager and Programme Manager posts have been evaluated under the single status framework and are paid according to the salary scales of Renfrewshire Council.

2017/18 (Restated)	Senior Employees		2018/19
Total Salary, fees and allowances	Name	Post Held	Total Salary, fees and allowances
£			£
72,481	Stuart Tait	Strategic Development Plan Manager	75,146
51,266	Dorothy McDonald	Assistant Strategic Development Plan Manager	53,153
54,347	Max Hislop	Programme Manager	56,337
<b>178,094</b>	<b>Total</b>		<b>184,635</b>

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2019, whether or not those amounts were actually paid to, or received by, those persons within that period.

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### 3. Pension rights

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

From 1<sup>st</sup> 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.

2017/18	Member contribution rates on earnings in the bands below	2018/19
Up to £20,700	5.5%	Up to £21,300
£20,701 to £25,300	7.25%	£21,301 to £26,100
£25,301 to £34,700	8.5%	£26,101 to £35,700
£34,701 to £46,300	9.5%	£35,701 to £47,600
Over £46,301	12%	Over £47,601

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living. (Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

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

Senior Employees		Accrued Pension benefits as at 31 March 2019		Change in accrued pension benefits since 31 March 2018 (Restated)		Pension contributions made by Joint Committee during 2018-2019
Name	Post Held	Pension £m	Lump Sum £m	Pension £m	Lump Sum £m	(i) £
Stuart Tait	Strategic Development Plan Manager	0.034	0.060	+0.003	+0.002	14,470
Dorothy McDonald	Assistant Strategic Development Plan Manager	0.024	0.043	+0.002	+0.002	10,236
Max Hislop	Programme Manager	0.031	0.065	+0.002	+0.005	10,849
		<b>0.088</b>	<b>0.167</b>	<b>0.006</b>	<b>0.008</b>	<b>35,555</b>

(i) includes any contributions that Glasgow and the Clyde Valley Strategic Development Planning Authority has agreed to pay in respect of the relevant person at a later date

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

#### **4. Remuneration of Employees**

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2018/19, in bands of £5,000.

<b>2017/18 (Restated)</b>	<b>Remuneration Band</b>	<b>2018/19</b>
<b>Number of employees</b>		<b>Number of employees</b>
2	£50,000 - £54,999	2
-	£55,000 - 59,999	-
-	£60,000 - £64,999	-
-	£65,000 - 69,999	-
1	£70,000 - £74,999	-
-	£75,000 - £79,999	1
-	£80,000 - £84,999	-
-	£85,000 - £89,999	-
-	£90,000 - £94,999	-
-	£95,000 - £99,000	-
<hr/> 3		<hr/> 3

#### **5. Exit Packages**

Glasgow and Clyde Valley Strategic Development Planning Authority agreed no exit packages in 2018-19.

## **Independent Auditor's Report**

### **Annual Accounts 2018-19**

Under arrangements approved by the Accounts Commission, the auditor with responsibility for the audit of the accounts of the Glasgow and the Clyde Valley Strategic Development Planning Authority for the year ended 31 March 2019 is:

Mark Ferris  
Senior Audit Manager  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

### **Statement**

The audit of the accounts is not yet complete i.e. the figures are subject to audit. The certified accounts will be presented to the Joint Committee for approval after the audit is complete.

## **Movement in Reserves Statement for the year ended 31 March 2019**

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

		Usable Reserves	Unusable Reserves	Total Reserves
	Note	£	£	£
<b>Balance at 31 March 2017 carried forward (Restated)</b>		<b>(382,826)</b>	<b>1,425,541</b>	<b>1,042,715</b>
<i>Movement in reserves during 2017-18</i>				
Surplus or (deficit) on the provision of services		155,231		155,231
Other comprehensive income and expenditure	16a	-	(1,227,000)	(1,227,000)
<b>Total comprehensive income and expenditure</b>		<b>155,231</b>	<b>(1,227,000)</b>	<b>(1,071,769)</b>
Adjustments between accounting basis and funding basis under regulations	9	(118,155)	118,155	-
<b>Increase or (decrease) in 2017-18</b>		<b>37,076</b>	<b>(1,108,845)</b>	<b>(1,071,769)</b>
<b>Balance at 31 March 2018 carried forward</b>		<b>(345,750)</b>	<b>316,696</b>	<b>(29,054)</b>
<i>Movement in reserves during 2018-19</i>				
Surplus or (deficit) on the provision of services		34,160		34,160
Other comprehensive income and expenditure	16a		362,000	362,000
<b>Total comprehensive income and expenditure</b>		<b>34,160</b>	<b>362,000</b>	<b>396,160</b>
Adjustments between accounting basis and funding basis under regulations	9	(100,582)	100,582	-
<b>Increase or (decrease) in 2018-19</b>		<b>(66,422)</b>	<b>462,582</b>	<b>396,160</b>
<b>Balance at 31 March 2019 carried forward</b>		<b>(412,172)</b>	<b>779,278</b>	<b>367,106</b>

## **Comprehensive Income and Expenditure Statement for the year ended 31 March 2019**

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

<b>2017/18 (Restated)</b>			<b>2018/19</b>
£		Note	£
685,701	Employee Costs		707,996
82,465	Premise Costs		80,731
118,513	Supplies & Services		84,753
48,893	Support Services		23,700
32,702	Payments to Other Bodies		16,520
1,651	Transport Costs		2,770
<b>969,924</b>	<b>Cost of Services</b>		<b>916,470</b>
(77,925)	Other Income		(103,409)
34,239	Financing & Investment Income & Expenditure	10	6,524
(579,500)	Requisitions from Members Authorities	14	(579,500)
(191,507)	Green Network Partnership Income		(205,925)
<b>155,231</b>	<b>(Surplus) or deficit on the provision of services</b>		<b>34,160</b>
(1,227,000)	Actuarial (Gains) or losses on pension assets and liabilities	16a	362,000
<b>(1,227,000)</b>	<b>Other Comprehensive Income &amp; Expenditure</b>		<b>362,000</b>
<b>(1,071,769)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>		<b>396,160</b>

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**Balance Sheet as at 31 March 2019**

The **balance sheet** shows the value as at 31 March 2019 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

2016/17 (Restated) £	2017/18 (Restated) £		Note	2018/19 £
<b><u>Current Assets</u></b>				
578,644	514,634	Funds held by Renfrewshire Council		529,291
34,790	29,210	Debtors and Prepayments	12	177,085
150	150	Cash in Hand		-
<b>613,584</b>	<b>543,994</b>			<b>706,376</b>
<b><u>less Current Liabilities</u></b>				
(247,299)	(216,940)	Creditors And Accruals	13	(313,483)
<b>366,285</b>	<b>327,054</b>	<b>Net (Liabilities)/Asset Excluding Pension</b>		<b>392,894</b>
<b><u>Long Term Liabilities</u></b>				
(1,409,000)	(298,000)	Pension (liability)/Asset	16	(760,000)
<b>(1,042,715)</b>	<b>29,054</b>	<b>Net (Liabilities)/Asset Including Pension</b>		<b>(367,106)</b>
<b><u>Represented by:</u></b>				
(382,826)	(345,749)	<b>Useable Reserves</b>		(412,172)
1,425,541	316,696	<b>Unusable Reserves</b>		779,278
<b>1,042,715</b>	<b>(29,054)</b>			<b>367,106</b>

The audited accounts were authorised for issue on 10 June 2019.  
Balance Sheet signed by:

**Alan Russell CPFA**  
Treasurer  
10 June 2019

## **Note 1 Expenditure Funding Analysis for the year ended 31 March 2019**

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

<b>2018/19</b>	<b>(Surplus)/Deficit for Year</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting basis</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 31st March 2019	(66,422)			(66,422)
Employee Statutory Adjustment		582		582
Pension Cost			90,000	90,000
Pension Interest			10,000	10,000
<b>(Surplus) or deficit on the provision of service</b>				<b>34,160</b>

<b>2017/18 (Restated)</b>	<b>(Surplus)/Deficit for Year</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting basis</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 31st March 2018	16,076			16,076
Employee Statutory Adjustment		2,155		2,155
Pension Cost			100,000	100,000
Pension Interest			37,000	37,000
<b>(Surplus) or deficit on the provision of service</b>				<b>155,231</b>



## **Note 2 Prior Year Restatement**

For 2018/19, the Committee has introduced a new accounting policy on Reserves, because it believes that this better represent the substance of transactions, the operation of assets and use of resources. It has also discovered that revised pension figures were not accurately presented in the 2017/18 accounts due to the late issue of the revised valuations from the appointed actuary.

The Code requires that the Committee presents a third Balance Sheet at the beginning of the preceding financial year when the Board makes a retrospective restatement. The additional balance sheet is presented on page 19, which shows opening balances at 1 April 2017.

The following table shows the relevant extracted lines from the CIES that have been affected by the restatement. The CIES with appropriate restatement for 2017/18 can be found on page 18.

<b>Effect on CIES</b>	<b>Originally Stated 2017/18 Net Expenditure £</b>	<b>Restated 2017/18 Net Expenditure £</b>	<b>Amount of Restatement £</b>
Employee Costs	490,849	685,701	194,852
Premises Related Costs	61,680	82,465	20,785
Supplies & Services	101,823	118,513	16,690
Support Costs	29,012	48,893	19,881
Payments to Other Bodies	36,279	32,702	(3,577)
Transport Costs	3,690	1,651	(2,039)
Other Income	(76,223)	(43,686)	32,537
<b>Cost of Services</b>	<b>647,110</b>	<b>926,238</b>	<b>279,128</b>
Other income and expenditure	(556,789)	(771,007)	(214,218)
<b>(Surplus) or deficit on the provision of service</b>	<b>90,321</b>	<b>155,231</b>	<b>64,910</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 17.

<b>Usable Revenue Reserve</b>	<b>Originally Stated at 31 March 2018 £</b>	<b>Restated as at 31 March 2018 £</b>	<b>Amount of Restatement £</b>
<b>Balance at 1 April 2017</b>	<b>-</b>	<b>(382,826)</b>	<b>(382,826)</b>
Total comprehensive income and expenditure	90,321	155,231	245,552
<b>Adjustments between accounting basis and funding basis under regulations</b>	<b>(78,829)</b>	<b>(118,155)</b>	<b>(196,984)</b>
Transfer from Creditors	(288,241)		(288,241)
Transfer to Creditors	276,749		276,749
<b>Balance at 1 April 2018</b>	<b>-</b>	<b>(345,750)</b>	<b>(345,750)</b>

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	<b>Originally Stated at 31 March 2018 £</b>	<b>Restated as at 31 March 2018 £</b>	<b>Amount of Restatement £</b>
<b>Unusable Revenue Reserve</b>			
<b>Balance at 1 April 2017</b>	<b>953,043</b>	<b>1,425,541</b>	<b>472,498</b>
Total comprehensive income and expenditure	(825,000)	(1,227,000)	(402,000)
<b>Adjustments between accounting basis and funding basis under regulations</b>			
Employee Statutory Adjustment Account	829	2,155	1,326
Pension Reserve	78,000	116,000	38,000
<b>Balance at 1 April 2018</b>	<b>206,872</b>	<b>316,696</b>	<b>109,824</b>

Note: Within the restatement table above there was a restatement on the Pension Reserve for Green Network for £19,000

### **Note 3 Accounting Policies**

The Financial Statements for the year ended 31 March 2019 have been prepared in accordance with proper accounting practice as per section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice for Local Authorities 2018/19, (SeRCOP) supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Joint Committee and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

The following accounting concepts have been considered in the application of accounting policies:

**Accruals basis** - the accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which payment is made or income received.

**Going concern** - the going concern concept assumes that the Joint Committee will continue in existence for the foreseeable future.

**Understandability** – users of the financial statements are assumed to have a reasonable knowledge of accounting and local government.

**Relevance** – the information in the financial statements is useful for assessing the Joint Committee's stewardship of public funds and for making economic decisions.

**Materiality** - information is included in the financial statements where the information is of such significance that it could influence the decisions or assessments of users of the information.

**Reliability** – information included in the financial statements faithfully represents the substance of transactions, is free from bias and material error, is complete within the bounds of materiality and cost, and has been prudently prepared.

**Primacy of legislative requirements** - legislative requirements have priority over accounting principles in the event of conflict between legislation and the Accounting Code.

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The accounts have been prepared under the historic cost convention. The following accounting policies used in the preparation of the statements have been reviewed in line with changes made to the Accounting Code following the introduction of International Financial Reporting Standards.

### **Accruals of Expenditure and Income**

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

- i. Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- ii. Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- iii. 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.
- iv. 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.
- v. Suppliers invoices paid in the two weeks following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

### **Contingent Assets and Liabilities**

Contingent assets and liabilities are not recognised in the financial statements, but are disclosed as a note to the accounts where they are deemed material.

### **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 and flexi-leave entitlements earned by employees but not taken before the year end; and which employees may carry forward into the next financial year.

#### Post employment benefits

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

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

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

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

Note 16 to the Core Financial Statements provides further information.

### **Events after the Balance Sheet date**

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

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

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 7 provides further information.

### **Prior Period Adjustments**

Where there has been a change in accounting policy, that change will be applied retrospectively, that is, prior period figures will be restated unless the Code specifies transitional provisions that shall be followed. Where there has been a change in accounting estimate, that change will be applied prospectively, that is, prior period figures will not be restated. Where a material misstatement or omission has been discovered relating to a prior period, that misstatement or omission will be restated unless it is impracticable to do so.

### **Government Grants and other Contributions**

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

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

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

### **Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. The Joint Committee is not party to any finance leases.

*Operating Leases*

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement 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 (eg, 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.

**Property, Plant and Equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as 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 replacement 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 5 years.

## **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 Committee.

### **Usable Reserves**

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

### **Unusable Reserves**

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

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

## **VAT**

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

## **Note 4 Accounting Standards Issued not Adopted**

There are no accounting standards relevant to the financial statements of the Joint Committee which have not been adopted.

## **Note 5 Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 3, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however, a summary of those with the most significant effect is detailed below.

Leases	An analysis of the terms of the lease for the office accommodation at West Regent Street leased by the Joint Committee has concluded it is an operating lease. Note 11 provides further information.
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## **Note 6 Assumptions made about the future**

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

The items in the Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

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<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Results differ from Assumption</b>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £0.720 million. However, the assumptions interact in complex ways. During 2018/19, the appointed actuaries advised that the net pension liability had increased by £0.398 million attributable to updating of the financial assumptions.

## **Note 7 Events after the balance sheet date**

Events taking place after the authorised for issue date per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2019, 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 8 Details of Movement in Unusable Reserves**

### **a. Pension Reserve**

<b>2017/18 (Restated)</b>		<b>2018/19</b>
<b>£</b>		<b>£</b>
1,026,000	Balance as at 1 April	298,000
(1,227,000)	Actuarial Gains and Losses (see note 16)	362,000
499,000	Net additional amount required by statute and non-statutory proper practices to be taken into account when determining the surplus or deficit on the revenue reserves for the year	100,000
<b>298,000</b>	<b>Balance as at 31 March</b>	<b>760,000</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 Joint Committee accounts for post-employment benefits in the **comprehensive income and expenditure statement** as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds. The credit balance on the Pension Reserve shows a moderate excess in the benefits earned by past and current employees and the Joint Committee's share of the Strathclyde Pension Fund resources available to meet them.

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**b. Employee Statutory Adjustment Account**

2017/18 (Restated)		2018/19
£		£
16,541	Balance as at 1 April	18,696
(16,541)	Reversal of prior year accrual for short-term accumulating compensated absences	(18,696)
18,696	Recognition of the accrual for short-term accumulating compensating absences at 31 March	19,278
<b>18,696</b>	<b>Balance as at 31 March</b>	<b>19,278</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, time in lieu or credit flexi-time 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.

**Note 9 Reconciliation of the Balance on the Comprehensive Income and Expenditure Statement to the Movement in Reserves Statement**

The surplus for the year on the Revenue Reserves was £100,582 less than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Joint Committee's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2017/18 (Restated)		2018/19
£		£
<b>Amounts to be included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement in Reserves Statement</b>		
(197,000)	Net charges made for retirement benefits in accordance with IAS19	(185,000)
(2,155)	Net charges for employment short-term accumulating absences	(582)
<b>(199,155)</b>		<b>(185,582)</b>
<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required to be included by statute when determining the Movement in Reserves Statement</b>		
81,000	Employers contributions payable to the Strathclyde Pension Fund	85,000
<b>(118,155)</b>	<b>Net additional amount required to be debited or credited to the Revenue Reserves balance for the year</b>	<b>(100,582)</b>



## **Note 10 Financing & Investment Income**

<b>2017/18 (Restated)</b>		<b>2018/19</b>
£		£
(2,761)	Interest on Balances	(3,475)
37,000	Pension Interest Cost	10,000
<b>34,239</b>	<b>Total Financing &amp; Investment Income</b>	<b>6,525</b>

## **Note 11 Operating Leases**

The Joint Committee has extended the operating lease on the office accommodation at West Regent Street in Glasgow until October 2019. The lease was extended in October 2016 for a term of 3 years, with a tenant only break option which allows the extended lease to be terminated by the Joint Committee without penalty one year after the commencement of the extended lease period. Twenty five percent of the accommodation costs are paid by The Green Network Partnership. It is increasingly unlikely that the lease will be extended whereby Clydeplan and Green Network will move to Glasgow City Council at 40 John Street Glasgow. Expenditure charged in year to the Comprehensive Income and Expenditure Statement was £29,250 (2017/18 £29,250). The cost of the total lease agreement, including the proportion paid by The Green Network Partnership is detailed below:

<b>2017/18</b>		<b>2018/19</b>
£		£
	Future Minimum Lease Payments	
44,180	- not later than one year	26,050
26,050	- later than one year and not later than five years	-
-	- later than five years	-
<b>70,230</b>		<b>26,050</b>

## **Note 12 Debtors**

<b>2017/18 (Restated)</b>		<b>2018/19</b>
£		£
-	Funds Held by Renfrewshire Council	165,315
10,705	Prepayments	(5,896)
18,505	Other receivables amounts	17,667
<b>29,210</b>	<b>Total short-term debtors</b>	<b>177,085</b>

## **Note 13 Creditors**

<b>2017/18 (Restated)</b>		<b>2018/19</b>
£		£
-	Trade payables	-
(216,940)	Other Payables	(313,483)
<b>(216,940)</b>	<b>Total short term creditors</b>	<b>(313,483)</b>

## **Note 14 Related parties**

The Joint Committee's related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

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

The service level agreement for these services is £23,200 (2017/18 £23,200). A proportion of the cost is paid by the Green Network Partnership. The amount paid in respect of these services by the GCVSDPA for the year ended 31 March 2019 was £18,900 (2017/18 £18,900).

### **Glasgow Clyde Valley Requisition**

2017/18			2018/19
£	Council	Percentage	£
72,437.50	East Dunbartonshire	12.5%	72,437.50
72,437.50	East Renfrewshire	12.5%	72,437.50
72,437.50	Glasgow City	12.5%	72,437.50
72,437.50	Inverclyde	12.5%	72,437.50
72,437.50	North Lanarkshire	12.5%	72,437.50
72,437.50	Renfrewshire	12.5%	72,437.50
72,437.50	South Lanarkshire	12.5%	72,437.50
72,437.50	West Dunbartonshire	12.5%	72,437.50
<b>579,500.00</b>	<b>GCVSDPA Funding</b>	<b>100.00%</b>	<b>579,500.00</b>

### **Green Network Partnership Requisition**

2017/18			2018/19
£	Council	Percentage	£
5,589.00	East Dunbartonshire	3.0%	5,589.00
4,758.00	East Renfrewshire	2.5%	4,758.00
31,019.00	Glasgow City	16.6%	31,019.00
4,322.00	Inverclyde	2.3%	4,322.00
17,306.00	North Lanarkshire	9.3%	17,306.00
9,040.00	Renfrewshire	4.8%	9,040.00
16,497.00	South Lanarkshire	8.8%	16,497.00
4,855.00	West Dunbartonshire	2.6%	4,855.00
	<b>Third Party</b>		
31,782.00	Scottish National Heritage	16.4%	30,594.00
29,796.00	Forestry Commission Scotland	16.4%	30,594.00
14,008.00	Glasgow Centre for Population Health	3.7%	7,000.00
4,669.00	SEPA	2.5%	4,669.00
17,866.00	Central Scotland Green Network	11.1%	20,692.80
<b>191,507.00</b>	<b>Total Green Network Partnership Funding</b>		<b>186,935.80</b>

## **Note 15 External audit costs**

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's *Code of Audit Practice* in 2018-2019 were £2,900 (£2,810 in 2017/18). There were no fees paid to Audit Scotland in respect of any other services.

## **Note 16 Retirement Benefits**

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

### **16a. Transactions relating to retirement benefits**

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

The following transactions have been made in the accounting statements in 2018-2019:

<b>2017/18 (Restated)</b>		<b>Note</b>	<b>2018/19</b>
£			£
	<b>Comprehensive Income &amp; Expenditure Statement</b>		
	<b>Cost of Services</b>		
160,000	Current service cost	(i)	175,000
-	Past service cost/(gain)	(ii)	-
-	Settlements & curtailments	(iii)	-
<u>160,000</u>			<u>175,000</u>
	<b>Financing &amp; Investment Income &amp; Expenditure</b>		
37,000	Net interest	(iv)	10,000
<u>197,000</u>	<b>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</b>		<u>185,000</u>
	<b>Other post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		
(232,000)	Return on assets excluding amounts included in net interest Actuarial (gains) and losses arising on changes in financial assumptions		(172,000)
(995,000)			534,000
<u>(1,227,000)</u>	<b>Total Actuarial (gain) or loss</b>		<u>362,000</u>
<u>(1,030,000)</u>	<b>Total post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		<u>547,000</u>
	<b>Movement in Reserves Statement</b>	(v)	
(362,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code		462,000
<u>81,000</u>	<b>Employers Contributions paid to Strathclyde Pension Fund</b>		<u>85,000</u>

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- i. Current service cost is the cost of future entitlements to pension payments to current employees
- ii. Past service cost is the cost of discretionary pension benefits to former employees who retired on the grounds of efficiency etc or savings made for commuting part of the pension for additional cash.
- iii. Curtailments are the pension costs to employees retired under redundancy terms.
- iv. The net Interest Cost is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- v. 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 Joint Committee to the Strathclyde Pension Fund during the year (£100,582).

The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2018/19 these amounted to £8,758 (2017/18 £8,507).

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial loss of £0.264 million are included in the Movement in Reserves Statement (2017/18 £0.825 million gain).

**16b. Assets and liabilities in relation to retirement benefits**

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

2017/18 (Restated)		2018/19
£000		£000
6,271	Opening present value	5,561
160	Current service cost	175
164	Interest Cost	152
31	Employee Contributions	34
-	Remeasurement (gains)/losses:	
(995)	Actuarial (gains)/losses arising from changes in financial assumptions	534
(70)	Benefits Paid	(73)
<b>5,561</b>	<b>Closing present value of scheme liabilities</b>	<b>6,383</b>

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

2017/18 (Restated)		2018/19
£000		£000
4,862	Opening Fair Value	5,263
127	Interest Income	142
-	Remeasurement gain/(loss):	
232	Return on assets excluding amounts included in net interest	172
81	Contributions from employer	85
31	Contributions from employee	34
(70)	Benefits Paid	(73)
<b>5,263</b>	<b>Closing fair value of scheme assets</b>	<b>5,623</b>

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**16c. Fund history**

	2014/15	2015/16	2016/17	2017/18 (Restated)	2018/19
	£000	£000	£000	£000	£000
Present Value of Liabilities	(3,713)	(3,454)	(4,639)	(5,561)	(6,383)
Fair value of assets	2,911	2,992	3,699	5,263	5,623
<b>Surplus/(deficit) in the scheme</b>	<b>(802)</b>	<b>(462)</b>	<b>(940)</b>	<b>(298)</b>	<b>(760)</b>

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

The net liability of £0.760 million has a significant impact on the net worth of the Joint Committee as recorded in the balance sheet. Any deficit on the Strathclyde Pension Fund 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 Strathclyde Pension Fund in the year to 31 March 2020 is £0.085 million.

**16d. Basis for estimating assets and liabilities**

The Joint Committee's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, 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 2019.

The principal assumptions used by the actuary have been:

2017/18	Financial Year:	2018/19
	<b>Mortality assumptions</b>	
	Longevity at 65 for current pensioners	
21.4 years	• Men	21.4 years
23.7 years	• Women	23.7 years
	Longevity at 65 for Future pensioners	
23.4 years	• Men	23.4 years
25.8 years	• Women	25.8 years
3.6%	Rate of increase in salaries	3.7%
2.4%	Rate of increase in pensions	2.5%
2.7%	Rate for discounting scheme liabilities	2.4%
	Take-up of option to convert annual pension into retirement lump sum:	
50.0%	For Pre April 2009 Service	50.0%
75.0%	Post April 2009 Service	75.0%

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

<b>2017/18 (Restated)</b>			<b>2018/19</b>
<b>£000</b>		<b>Percentage</b>	<b>£000</b>
	<b>Equity Securities</b>		
338	Consumer	6.4%	361
274	Manufacturing	5.2%	293
70	Energy and Utilities	1.3%	75
227	Financial Institutions	4.3%	242
135	Health and Care	2.6%	144
173	Information Technology	3.3%	185
-	Other	0.0%	-
<b>1,217</b>	<b>Total Equity</b>	<b>23.1%</b>	<b>1,300</b>
	<b>Debt Securities</b>		
165	Corporate Bonds (Investment Grade)	3.1%	177
<b>165</b>	<b>Total Debt Securities</b>	<b>3.1%</b>	<b>177</b>
	<b>Private Equity</b>		
629	All	12.0%	672
<b>629</b>	<b>Total Private Equity</b>	<b>12.0%</b>	<b>672</b>
	<b>Real Estate</b>		
477	UK Property	9.1%	509
-	Overseas Property	0.0%	-
<b>477</b>	<b>Total Real Estate</b>	<b>9.1%</b>	<b>509</b>
	<b>Investment Funds &amp; Unit Trusts</b>		
1624	Equities	30.9%	1,735
609	Bonds	11.6%	651
3	Commodities	0.1%	3
-	Infrastructure	0.0%	-
7	Other	0.1%	7
<b>2,243</b>	<b>Total Investment Funds &amp; Unit Trusts</b>	<b>42.7%</b>	<b>2,397</b>
	<b>Derivatives</b>		
0	Inflation	0.0%	-
0	Interest Rate	0.0%	-
0	Foreign Exchange	0.0%	-
0	Other	0.0%	0
<b>0</b>	<b>Total Derivatives</b>	<b>0.0%</b>	<b>0</b>
	<b>Cash &amp; Cash Equivalents</b>		
532	All	10.1%	569
<b>532</b>	<b>Total Cash &amp; Cash Equivalents</b>	<b>10.1%</b>	<b>569</b>
<b>5,263</b>	<b>Total</b>	<b>100%</b>	<b>5,623</b>

**16e. Impact on cashflows**

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions has been set at 19.3% for 2018-19 and 2019-20.

**Note 17 Contingent Liabilities and Assets**

As at the Balance Sheet date the Joint Committee had no material contingent assets or liabilities.