

GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE

To: Joint Committee

On: 13 September 2021

Report by: The Treasurer and the Strategic Development Plan Manager

Heading: Annual Audit Report on the Annual Accounts 2020/21

1. Summary

- 1.1 At the meeting of the Joint Committee on 14 June 2021, a report on the unaudited accounts for the year ended 31 March was noted.
- 1.2 The Joint Committee has ended the 2020/21 financial year with a surplus of £103,930 against a budgeted break-even position.
- 1.3 The Management Commentary within the accounts provides an overview of the Committee's financial performance during 2020/21, along with its outlook for the future.

2 Recommendations

- 2.1 It is recommended that members:
 - (a) Note the findings of the 2020/21 audit as contained in the Annual Audit Report (Appendix 1); and
 - (b) Approve the 2020/21 Audited Annual Accounts (Appendix 2) for signature.

3 Background

- 3.1 The Local Authority Accounts (Scotland) Regulations 2014 require the audited accounts to be approved for signature by the Joint Committee no later than 30 September each year, although some flexibility was available this year due to the provisions of the Coronavirus (Scotland) Act 2020.
- 3.2 Section 10 of these Regulations requires the Joint Committee to consider any report made by the appointed auditor before deciding whether to sign the audited accounts.

- 3.3 The findings of the appointed auditor, Audit Scotland, are presented in the Annual Audit Report, which can be found at Appendix 1. It also includes details of adjustments made to the accounts during the course of the audit.
- 3.4 Following approval, the audited accounts will be submitted to the Convener, Treasurer and Strategic Development Plan Manager for secure digital signature.
- 3.5 The Comprehensive Income and Expenditure Statement (CIES) on page 15 shows an accounting Surplus on the Provision of Services of £38,915.
- 3.6 The Expenditure and Funding Analysis on page 18 shows how this differs from the budgetary surplus of £103,930 due to accounting adjustments for pension costs and the statutory employee leave accrual.
- 3.7 The Balance Sheet on page 17 of the Annual Accounts shows a reduction in net worth of £42,085 compared to last year, which is largely driven by the movement in the pension liability. This is explained further in the Management Commentary within the accounts.
- 3.8 There are two restatements of 2019/20 figures in the CIES and the Balance Sheet relating to dilapidation costs and the inclusion of agency income and expenditure in the CIES. Further detail is provided within the accounts at Note 2: Prior Year Restatement and Note 14: Agency Services.

Glasgow and the Clyde Valley Strategic Development Planning Authority

2020/21 Annual Audit Report



Prepared for Glasgow and the Clyde Valley Strategic Development Planning Authority
Joint Committee and the Controller of Audit

September 2021

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Key messages

2020/21 annual report and accounts

Glasgow and the Clyde Valley Strategic Development Planning Authority'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.

Financial sustainability and Annual Governance Statement

A surplus of £103,930 for the financial year 2020/21 was achieved, compared to a budgeted breakeven position.

The financial planning arrangements in place have allowed management to plan for future pressures and take action where required.

Introduction

1. This report summarises the findings from our 2020/21 audit of Glasgow and the Clyde Valley Strategic Development Planning Authority (Clydeplan).
2. The scope of our audit was set out in our Annual Audit Plan. This was circulated to members of the Joint Committee outwith the committee cycle. This report comprises the findings from:
 - an audit of Clydeplan's annual accounts
 - our consideration of financial sustainability and the Annual Governance Statement.
3. The global coronavirus pandemic has had minimal impact on Clydeplan during 2020/21. Revised governance procedures have operated effectively throughout the year and are considered reasonable.

Adding value through the audit

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

Responsibilities and reporting

6. Clydeplan 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. Clydeplan is also responsible for compliance with legislation putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.
7. 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. 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 Clydeplan's Best Value arrangements is focussed on their use of resources to secure financial sustainability.

8. 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.

9. The [Code of Audit Practice 2016](#) (the Code) 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 2020/21 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2020/21 audit.

10. 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

11. We confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2020/21 audit fee of £3,040 as set out in our 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 Clydeplan and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

13. We would like to thank management and staff for their cooperation and assistance during the audit, particularly given the difficulties of auditing remotely during the COVID-19 pandemic.

Part 1. Audit of 2020/21 annual accounts

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

Main judgements

Clydeplan'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.

Our audit opinions on the annual accounts are unmodified

14. The annual accounts for the year ended 31 March 2021 were approved by the Joint Committee on 13 September 2021. 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

15. The unaudited annual accounts were received in line with our revised agreed audit timetable on 15 June 2021. There has been limited impact of -Covid-19 on the audit process. The physical limitations on access to records and systems did not impact on or delay the audit and Clydeplan staff were supported in homeworking during the period of the outbreak.

16. 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 £10,000

17. 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	£10,000
Performance materiality	£7,000
Reporting threshold	£1,000

Source: Annual Audit Plan 2020/21

Appendix 1 identifies the main risks of material misstatement and our audit work to address these

18. [Appendix 1](#) provides our assessment of risks of material misstatement in the annual accounts. These risks influence our overall audit strategy, the allocation of staff resources to the audit and inform where the efforts of the team are directed. It also identifies the work we undertook to address these risks and our conclusions from this work.

We have three significant findings to report on the accounts

19. 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 identified the following issues per Exhibit 2.

Exhibit 1 Significant findings from the audit of the financial statements

Issue	Resolution
1. West Regent Street Expenditure Expenditure items totalling £12,153 in relation to the West Regent Street lease had been recorded in the 2020/21 financial year but related to 2019/20. These invoices had been omitted from the 2019/20 accounts, resulting in an understatement	The 2020/21 accounts were amended to remove the £12,153 West Regent Street expenditure from 2020/21 and record within 2019/20.

Issue	Resolution
of expenditure in 2019/20 and an overstatement in 2020/21.	
<p>2. Clyde Estuary Forum</p> <p>Income and expenditure of £96,000 in relation to the Clyde Estuary Forum had been recorded within the 2020/21 financial statements. We confirmed this is an agency agreement where funds are transferred by Clyde Marine, and held until payments of invoices are made. As a result the expenditure and income should not be recorded within the financial statements.</p>	<p>The 2020/21 accounts were adjusted to remove the £96,000 of income and expenditure in relation to Clyde Estuary Forum and an Agency note added to reflect the arrangement. A similar issue in 2019/20 has led to a restatement of gross income and gross expenditure; there is no impact on the Surplus/Deficit on the Provision of Services in the CIES.</p>
<p>3. Goodwin</p> <p>The Chief Secretary to the Treasury has made a 'Written Ministerial Statement' (WMS) in respect of survivor benefits payable from the Teachers' Pension Scheme in England. Following an employment tribunal, survivor benefits payable to male survivors of females in opposite sex marriages will be equal to those payable to other categories of survivor. This has implications for the Local Government Pension Scheme. The legislation / regulations underpinning the various public service pension schemes have not yet been amended.</p>	<p>The 2020/21 accounts have been amended to reflect a contingent liability in relation to Goodwin as set out in paragraphs 24-30 of CIPFA Bulletin 05.</p>

Adjustments of £108,153 were processed in the annual accounts.

20. 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.

21. Adjustments made in the audited accounts decreased net expenditure in the Comprehensive Income and Expenditure Statement by £12,153.

22. 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 surplus of £103,930 for the financial year 2020/21 was achieved, compared to a budgeted breakeven position.

The audited annual accounts for 2020/21 confirm a useable reserves balance of £383,872 as at 31 March 2021.

Financial performance in 2020/21

23. The Joint Committee approved the 2020/21 budget in December 2019. Total budgeted expenditure was £633,500 and total budgeted income was £633,500. Requisition income remained unchanged at £579,500.

24. Actual outturn in 2020/21 was total expenditure of £586,843 and total income of £690,773 resulting in a surplus of £103,930. The main factors regarding variances are set out in the Management Commentary in the annual accounts.

Short term financial planning

25. The Joint Committee approved the 2021/22 budget in December 2020. Total budgeted expenditure was £593,400 and total budgeted income was £438,200. The largest source of income for Clydeplan is requisitions from members and this budget was reduced to £419,500. Requisitions anticipated in 2021/22 are lower than those in prior years because of a refund of earmarked reserves of £160,000.

Medium to long-term financial planning

26. 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.

27. 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.

28. The audited annual accounts for 2020/21 confirm a useable reserve balance of £383,872. In order to ensure the ongoing sustainable funding position of the Joint Committee, requisition income for 2021/22 was approved at pre-2019/20 levels of £579,500 however, as above, a refund of £160,000 is due resulting in total requisition income of £419,500. This results in an anticipated net expenditure position of £155,200 for 2021/22. The Joint Committee's expenditure is projected to require the full requisition income available in the coming years.

29. The pre-2019/20 level of requisition is projected in future years post 2021/22 and is important to the financial and operational sustainability of the organisation and maintaining a reserves level which should contain the short-term impact of any other unforeseen risks and events.

30. On 25 July 2019, the Planning (Scotland) Bill officially received Royal Assent and became the Planning (Scotland) Act 2019. The Act repeals the provisions requiring the preparation of Strategic Development Plans which are being replaced by provisions for two or more planning authorities acting jointly to prepare Regional Spatial Strategies.

31. The most current Clydeplan Strategic Development Plan (2017) will remain in force until the approval of National Planning Framework 4 which is anticipated in 2021. In the interim, as required by the current statutory provisions, Clydeplan will continue to prepare its Development Plan Scheme and Participation Statement, whilst recognising the requirement to support the preparation of National Planning Framework 4. In addition, Clydeplan continues to engage with key stakeholders in developing and undertaking their strategic planning activities.

32. At its meeting on 8 March 2021, the Clydeplan Joint Committee agreed to recommend to all eight local authorities that they continue to work jointly to discharge their duty under the Planning (Scotland) Act 2019 to prepare a Regional Spatial Strategy (RSS).

33. From the work carried out, we have concluded that Clydeplan has adequate financial planning arrangements in place. Cost pressures are expected to arise in the medium term, mainly due to employee costs. 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

34. Our review of the Annual Governance Statement assessed the assurances which are provided to the Joint Committee 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 the Glasgow and Clyde Valley

Strategic Development Planning Authority's internal control, risk management and governance arrangements'.

35. 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.

Appendix 1. Significant audit risks

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion.

Risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls</p>	<p>Detailed testing of journal entries.</p> <p>Reviewed accounting estimates.</p> <p>Focused testing of accruals and prepayments.</p> <p>Evaluated significant transactions that are outside the normal course of business.</p> <p>Cut off testing of transaction at and around year-end.</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>Conclusion: no evidence of management override of controls.</p>
<p>2. Estimates and judgements in the valuation of the pension liability</p> <p>Clydeplan recognised a net liability of £0.202 million relating to its share of Strathclyde Pension Fund at 31 March 2020. There is a significant degree of subjectivity in the measurement and valuation</p>	<p>Assessed the pension fund actuary and information they provide in accordance with ISA 500.</p> <p>Reviewed the estimates used, and assumptions made in calculating the pension fund liability.</p> <p>Assessed the completeness and accuracy of information</p>	<p>A review of the actuary and the assumptions made in calculating the estimated pension liability was performed and no issues were identified. The approach and assumptions used by the actuary were considered reasonable and in line with expectation.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>of the pension fund liability. The valuation is based on specialist assumptions and estimates, and changes can result in material changes to the valuation.</p> <p>Additionally, the triennial valuation exercise that took place during 2020/21 may impact on the 2020/21 annual accounts.</p> <p>This exercise was more detailed than the annual valuations and set employer contributions rates for the next three years.</p>	<p>submitted to Strathclyde Pension Fund to support the triennial valuation exercise.</p>	<p>The triennial valuation did not result in any change to Clydeplan's employer contribution rate.</p> <p>Conclusion: the estimates and judgements made in the calculation of the net pension liability were reasonable.</p>

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p>3. Future operations and structure of Clydeplan</p> <p>Changes in legislation (Planning (Scotland) Act 2019) have impacted on the future operations and structure of Clydeplan. Arrangements are still being developed and finalised, however, there is a possibility that the developments could result in changes to the structure of Clydeplan and the Joint Committee.</p>	<p>Reviewed updates and papers reported to the Joint Committee.</p> <p>Discussed with management about developments impacting on the future operations and structure of Clydeplan.</p>	<p>A review of updates and papers to the Joint Committee highlighted that on 8 March 2021, the Clydeplan Joint Committee agreed to recommend to all eight local authorities that they continue to work jointly to discharge their duty under the Planning (Scotland) Act 2019 to prepare a Regional Spatial Strategy (RSS).</p> <p>Clydeplan intend to keep the Joint Committee apprised of any significant changes and work closely with its constituent local authorities and partners to develop a work programme relevant to the delivery of the first Regional Spatial Strategy for the Glasgow City Region under the terms of the new Act.</p>

Audit risk	Assurance procedure	Results and conclusions
		Conclusion: Changes to the future operations and structure of Clydeplan and the Joint Committee are yet to be formally agreed and progressed.

Glasgow and the Clyde Valley Strategic Development Planning Authority

2020/21 Annual Audit Report

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



Glasgow and the Clyde Valley
Strategic Development Planning Authority

Annual Accounts 2020/21

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Management Commentary

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

History and Background

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

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

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

The Joint Committee is comprised of two members from each constituent authority. During 2020/21, the Chair of the Joint Committee was Councillor Lawrence O'Neill of West Dunbartonshire Council and Vice-Chair was Councillor David Wilson of Inverclyde Council.

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

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

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) has a strong relationship with Clydeplan and an overview of the Partnership is provided at Note 17: Green Network Partnership on page 29.

Strategic Development

The SDP covers a period of 20 years and the latest was approved in 2017. It identifies where new development should be located. It also sets out a policy framework to help deliver sustainable economic growth and enhance the quality of life in the Glasgow City and Clyde Valley Region. The current SDP was approved by Scottish Ministers on 24 July 2017.

Planning (Scotland) Act 2019

The Planning (Scotland) Act 2019 became law on 25 July 2019. The new act places a duty on Local Authorities to prepare Regional Spatial Strategies, rather than SDPs. The development of this strategy will be influenced and integrated into the Glasgow City Region processes and structures in terms of engagement and governance through related Portfolio groupings, including:

- Land Use and Sustainability;
- Transport and Connectivity;

- Housing and Equalities;
- Infrastructure and Assets;
- Economic Delivery Group.

In particular, Clydeplan, supported by the Land Use and Sustainability Portfolio, took the lead on the production of an 'Indicative Regional Spatial Strategy', submitted in June 2020 in support of the Scottish Government's development of National Planning Framework 4.

In addition, Clydeplan developed a Forestry and Woodland Strategy for the City Region that was approved by the Joint Committee in December 2020.

Clydeplan has also provided technical mapping and data support to the Glasgow City Deal Programme Management Office in respect of the £1.13bn Infrastructure Investment Fund.

The principle focus for 2021/22 will involve working closely with the Clydeplan's Steering Group and the City Region's Land Use and Sustainability portfolio to support the implementation of the new Planning (Scotland) Act 2019 and related City Region activities.

In fulfilment of its Minute of Agreement and the existing requirements of the 2006 Planning Act, the Joint Committee approved its Annual Report and its Development Plan Scheme and Participation Statement in March 2021. These documents can be accessed at the following web links:

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

Primary Financial Statements

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

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

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

Financial Performance

Revenue

The Comprehensive Income and Expenditure Statement (CIES) on page 14 summarises the total costs of providing services and the income available to fund those services.

The Joint Committee has returned a surplus of £103,930 for the financial year 2020/21 against a budgeted breakeven position. This excludes accounting adjustments relating to pensions and short-term accumulating compensated absences.

The difference between the Employee Costs figure below and the figure reported in the CIES is due to the accounting adjustments for pension costs of £58k and accrued employee benefits of £1k.

A summary of the final outturn position against the approved budget for Clydeplan is shown below.

	Budget £	Actual £	Variance £
Employee Costs	506,500	507,317	(817)
Property Costs	41,300	2,160	39,140
Supplies and Services	57,000	55,108	1,892
Support Services	20,500	19,970	530
Transfer Payments	2,700	1,917	783
Transport Payments	5,500	371	5,129
Total Expenditure	633,500	586,843	46,657
Requisition Income	(579,500)	(579,500)	0
Other Income	(54,000)	(111,273)	57,273
Total Income	(633,500)	(690,773)	57,273
(Surplus)/Deficit for Year	0	(103,930)	103,930

Property Costs are underspent against budget due to Clydeplan moving into 40 John Street Glasgow, where costs are substantially lower, upon the expiry of the lease of West Regent Street in October 2019.

Other Income is over-recovered mainly due to secondment income from the City Region Team at Glasgow City Council (£14k) and a contribution from Scottish Forestry for production of plans (£10K). Each Local Authority received a grant of £5K for the Regional Spatial Strategy, 7 of the 8 grants came directly to Clydeplan. West Dunbartonshire decided to receive the grant directly to make their own NPF4 submission.

The Balance Sheet at 31 March 2021

The Balance Sheet sets out the total net worth of the Joint Committee at a snapshot in time. When comparing the net worth of Clydeplan at 31 March 2021 to that of the prior year, an overall decrease in net worth of the organisation of £42k can be seen. This is primarily due to the increase in pension liability explained below.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 12: Retirement

Benefits. The appointed actuaries have confirmed a net liability position of £347k, an increase of £145k in their assessment of Clydeplan's share of the pension fund liability. This can be attributed to market movements prompted by the pandemic and lockdowns, among other factors, which therefore affect the assets returns and value.

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.

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.

Two further potential changes to pension rules are outlined in Note 13: Contingent Liabilities and Assets on page 25; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Reserves

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

The balance on the Usable Revenue Reserve at 31 March 2021 is £384k.

Budget 2021/22

The 2021/22 budget for ClydePlan was approved by the Joint Committee on 14 December 2020.

Outlook and Future Plans

Governance

It is recognised that all eight Glasgow City Region Local Authorities who are currently involved with the Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee wish to continue to contribute towards the strategic planning of the City Region.

At its meeting on 8 March 2021, the Clydeplan Joint Committee agreed to recommend to all eight local authorities that they continue to work jointly to discharge their duty under the Planning (Scotland) Act 2019 to prepare a Regional Spatial Strategy (RSS).

Clydeplan will continue to keep the Joint Committee apprised of any significant changes and will work closely with its constituent local authorities and partners to develop a work programme relevant to the delivery of the first Regional Spatial Strategy for the Glasgow City Region under the terms of the new Act.

The documents relating to the future of Clydeplan discussed at the committee meeting on 8 March 2021 can be accessed at the following web link;

<https://renfrewshire.cmis.uk.com/renfrewshire/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2059/Committee/70/Default.aspx>

Clydeplan expenditure budget has decreased for 2021/22, this is in line with reductions in Premises Costs and Supplies and Services. Furthermore, in recognition of the high level of reserves, a one-off reduction of requisition is made in 2021/22 to contributing Authorities, amount to £160K.

COVID-19 Lockdown: Remote Working

During the COVID-19 lockdown period, Clydeplan has continued to operate effectively, with all staff working from home. Normal governance procedures, such as the Joint Committee meetings, have continued, albeit on a virtual / remote basis.

Conclusion

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

Councillor Lawrence O'Neill

Convener

Stuart Tait

Strategic Development Plan Manager

Alan Russell

Treasurer

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required to:

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

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on the 13 September 2021.

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

Councillor Lawrence O'Neill

Convener

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

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

Alan Russell

Treasurer

Annual Governance Statement

Scope of Responsibility

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

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

The Joint Committee's Governance Framework

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

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

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

The main features of our governance arrangements are:

- 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 SDP;
- 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 SDP 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 SDP;
- Public performance reporting through the Annual Report;
- Policies to regulate employee related matters, including the employee code of conduct and disciplinary procedures;
- The Joint Committee approves, as part of the Glasgow and Clyde Valley Green Network Partnership's Terms of Reference, the allocation of local authority contributions to support the delivery of its Business Plan;
- Risk management arrangements including regular monitoring and review of significant risk exposures;
- Business continuity arrangements are in place and are kept under review by the Management Team.

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

The system includes:

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

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

Review of Effectiveness

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

The effectiveness of the governance framework is reviewed annually by the Strategic Development Plan

Manager, including the use of a self-assessment tool covering five key areas of governance:

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

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.

Renfrewshire Council's Chief Internal Auditor, who provides internal audit services to the Joint Committee under a service level agreement, provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control.

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

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

This governance framework has been in place throughout the year. The outbreak of Coronavirus (COVID-19) did not result in any changes to the governance arrangements for 2020/21. During the year all officers continued to work from home with negligible impact on service delivery. Meetings of the Joint Committee were also held virtually. The arrangements in place are still considered to be effective. 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.

Planning (Scotland) Act 2019

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

A key provision of the new Act was the removal of the statutory duty on local authorities to prepare a Strategic Development Plan being replaced with a duty to prepare a Regional Spatial Strategy.

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

The current Clydeplan SDP (July 2017) will remain in force until the National Planning Framework 4 is approved by the Scottish Parliament, likely in 2022.

As a consequence of the new provisions of the Planning (Scotland) Act 2019 in respect of strategic planning, the Clydeplan Joint Committee at its meeting on 8 March 2021, agreed to explore options in respect of the future governance arrangements for the performance of the functions undertaken by the Joint Committee including the formal dissolution of the Joint Committee and the possible governance being embedded into the Glasgow City Region's governance structures.

In this regard Glasgow City Council, working with the current host Authority, Renfrewshire Council, to potentially implement a governance structure to manage any future dissolution process and consider the continued contribution of the member authorities towards the strategic planning function for the Glasgow City Region. It is anticipated that this process will be completed within the 2021/22 financial year.

Assurance

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

Councillor Lawrence O'Neill

Convener

Stuart Tait

Strategic Development Plan Manager

Remuneration Report

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

Remuneration policy for elected members

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

Remuneration policy for senior employees

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

2019/20 Total Salary, fees and allowances £	Name	Post Held	2020/21 Total Salary, fees and allowances £
77,441	Stuart Tait	Strategic Development Plan Manager	79,323
54,779	Dorothy McDonald	Assistant Strategic Development Plan Manager	56,111
132,220	Total		135,434

The above tables show the relevant amounts, before tax and other deductions, due to each of the persons named for the year to 31 March 2021, whether or not those amounts were actually paid within that period.

Pension rights

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

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

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

If a person works part-time their contribution rate 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.

Name	Post Held	Accrued Pension benefits as at 31 March 2021				Pension Contributions made by the Joint Committee	
		As at 31 March 2021		Change from 31 March 2020		2020/21	2019/20
		Pension	Lump Sum	Pension	Lump Sum		
		£000	£000	£000	£000	£	£
Stuart Tait	Strategic Development Plan Manager	39	64	1	2	15,309	14,946
Dorothy McDonald	Assistant Strategic Development Plan Manager	27	45	1	1	10,829	10,572

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

Exit Packages

Clydeplan has not agreed any exit packages in either 2020/21 or 2019/20.

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 2020/21, in bands of £5,000.

2019/20 Number of employees	Remuneration Band	2020/21 Number of employees
1	£50,000 - £54,999	0
0	£55,000 - £59,999	1
1	£75,000 - £79,999	1
2	Total	2

Councillor Lawrence O'Neill
Convener

Stuart Tait
Strategic Development Plan Manager

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

Reporting on the audit of the financial statements

Opinion on financial statements

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

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Glasgow and the Clyde Valley Strategic Development Planning Authority as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is five years. I am independent of Glasgow and the Clyde Valley Strategic Development Planning Authority 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 Glasgow and the Clyde Valley Strategic Development Planning Authority. 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 Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

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

Responsibilities of the Treasurer and Joint Committee 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 Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how Glasgow and the Clyde Valley Strategic Development Planning Authority is complying with that framework;
- identifying which laws and regulations are significant in the context of Glasgow and the Clyde Valley Strategic Development Planning Authority;
- 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 Glasgow and the Clyde Valley Strategic Development Planning Authority's controls, and the nature, timing and extent of the audit procedures performed.

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

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

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.

Statutory other information

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

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

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

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

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

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

Matters on which I am required to report by exception

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

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

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 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.

2019/20 (restated)				2020/21		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
478,885	0	478,885	Employee Costs	566,332	0	566,332
21,488	0	21,488	Premise Costs	2,160	0	2,160
60,162	0	60,162	Supplies & Services	55,108	0	55,108
21,075	0	21,075	Support Costs	19,970	0	19,970
1,634	0	1,634	Transfer Payments	1,917	0	1,917
1,896	0	1,896	Transport Costs	371	0	371
0	(86,513)	(86,513)	Other Income	0	(109,759)	(109,759)
585,140	(86,513)	498,627	Cost of Services	645,858	(109,759)	536,099
0	(2,631)	(2,631)	Financing and Investment Income and Expenditure	0	(1,514)	(1,514)
16,000	0	16,000	Interest receivable	6,000	0	6,000
			Pension interest cost			
			Taxation and Non-Specific Grant Income			
0	(419,500)	(419,500)	Requisitions from Member Authorities	0	(579,500)	(579,500)
601,140	(508,644)	92,496	(Surplus)/Deficit on the Provision of Services	651,858	(690,773)	(38,915)
			Other Comprehensive Income & Expenditure			
		(451,000)	Actuarial (Gain)/Loss on pension assets and liabilities			81,000
		(358,504)	Total Comprehensive Income and Expenditure			42,085

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

Movement in Reserves Statement

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

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2020		(279,942)	210,317	(69,625)
Total Comprehensive Income and Expenditure		(38,915)	81,000	42,085
Adjustment between accounting basis and funding basis under regulation	6	(65,015)	65,015	0
Increase or (decrease) in year		(103,930)	146,015	42,085
Balance at 31 March 2021 carried forward		(383,872)	356,332	(27,540)

Comparative movements in 2019/20 (restated)	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2019		(310,727)	599,606	288,879
Total Comprehensive Income and Expenditure		92,496	(451,000)	(358,504)
Adjustments between accounting basis and funding basis under regulations	6	(61,711)	61,711	0
Increase or (decrease) in year		30,785	(389,289)	(358,504)
Balance at 31 March 2020 carried forward		(279,942)	210,317	(69,625)

Balance Sheet

The Balance Sheet shows the value as at 31 March 2021 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

As at 31 March 2019 £	As at 31 March 2020 (restated) £		Note	As at 31 March 2021 £
575,604	461,797	Funds held by Renfrewshire Council		493,396
1,314	34	Debtors and Prepayments	7	15,162
576,918	461,831	Current Assets		508,558
(251,297)	(190,206)	Creditors And Accruals	8	(134,018)
(28,500)	0	Provisions	9	0
(279,797)	(190,206)	Current Liabilities		(134,018)
(586,000)	(202,000)	Pension (Liability) / Asset	12c	(347,000)
(586,000)	(202,000)	Long Term Liabilities		(347,000)
(288,879)	69,625	Net Assets / (Liabilities)		27,540
(310,727)	(279,942)	Usable Reserves		(383,872)
599,606	210,317	Unusable Reserves	4	356,332
288,879	(69,625)	Total Reserves		(27,540)

The unaudited accounts were issued on 14 June 2021 and the audited accounts were authorised for issue on the 13 September 2021.

Alan Russell CPFA

Treasurer

Note 1: Expenditure Funding Analysis

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

2020/21	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	507,317	58,000	1,015	566,332
Premises Costs	2,160	0	0	2,160
Supplies & Services	55,108	0	0	55,108
Support Costs	19,970	0	0	19,970
Transfer Payments	1,917	0	0	1,917
Transport Costs	371	0	0	371
Other Income	(111,273)	0	1,514	(109,759)
Cost of Services	475,570	58,000	2,529	536,099
Other income and expenditure	(579,500)	6,000	(1,514)	(575,014)
(Surplus)/Deficit on the Provision of Service	(103,930)	64,000	1,015	(38,915)

2019/20 (restated)	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	433,174	51,000	(5,289)	478,885
Premises Costs	21,488	0	0	21,488
Supplies & Services	60,162	0	0	60,162
Support Costs	21,075	0	0	21,075
Transfer Payments	1,634	0	0	1,634
Transport Costs	1,896	0	0	1,896
Other Income	(89,144)	0	(2,631)	(91,775)
Cost of Services	450,285	51,000	(7,920)	493,365
Other income and expenditure	(419,500)	16,000	2,631	(400,869)
(Surplus)/Deficit on the Provision of Service	30,785	67,000	(5,289)	92,496

Note 2: Prior Year Restatement

In 2019/20, an unused provision for dilapidation costs of £18,168 was incorrectly attributed to Creditors instead of crediting Premises Costs in the revenue outturn and CIES. Furthermore, rent costs of £12,153 were incorrectly allocated against the wrong financial year. Income and Expenditure relating to activities of Clyde Estuary Forum and SSME Clyde Pilot projects have been removed from the CIES as Clydeplan only acts as an agent on their behalf. As a result, a restatement has been disclosed in the 2019/20 results. The effect on the CIES is as follows:

CIES	Originally Stated at 31 March 2020 £	Restated as at 31 March 2020 £	Amount of Restatement £
Premises Costs	27,503	21,488	(6,015)
Supplies and Services	252,159	60,162	(191,997)
Other Income	(278,510)	(86,513)	191,997
Cost of Services	504,642	498,627	(6,015)
(Surplus)/Deficit on the Provision of Services	98,511	92,496	(6,015)
Total Comprehensive Income and Expenditure	(352,489)	(358,504)	(6,015)

The Code requires that the Joint 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 16, which shows opening balances at 1 April 2019. The effect on the Balance Sheet is as follows:

Balance Sheet	Originally Stated at 31 March 2020 £	Restated as at 31 March 2020 £	Amount of Restatement £
Creditors	(196,221)	(190,206)	6,015
Net Assets / (Liabilities)	63,610	69,625	6,015
Usable Reserves	(273,927)	(279,942)	(6,015)
Total Reserves	(63,610)	(69,625)	(6,015)
Net Impact	0	0	0

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 15.

Usable Revenue Reserve	Originally Stated at 31 March 2020 £	Restated as at 31 March 2020 £	Amount of Restatement £
Balance at 1 April 2019	(310,727)	(310,727)	0
Total Comprehensive Income and Expenditure	(98,511)	(92,496)	6,015
Adjustments between accounting basis and funding basis under regulations	61,711	61,711	0
Balance at 1 April 2020	(273,927)	(279,942)	(6,015)

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.

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

Note 4: Unusable Reserves

Pension Reserve

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

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

2019/20 £	Pension Reserve	2020/21 £
586,000	Balance as at 1 April	202,000
(451,000)	Actuarial (Gain)/Loss on pension assets and liabilities	81,000
67,000	Reversal of items relating to retirement benefits charged to the Surplus or Deficit on the Provision of Services in the CIES	64,000
202,000	Balance as at 31 March	347,000

Employee Statutory Adjustment Account

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

2019/20 £	Employee Statutory Adjustment Account	2020/21 £
13,606	Balance as at 1 April	8,317
(13,606)	Reversal of prior year accrual for short-term accumulating compensated absences	(8,317)
8,317	Recognition of the accrual for short-term accumulating compensating absences at 31 March	9,332
8,317	Balance as at 31 March	9,332

Note 5: 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 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 6: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserves was £65,015 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.

2020/21	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(133,000)	133,000
Employers contributions payable to the Strathclyde Pension Fund	69,000	(69,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(1,015)	1,015
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(65,015)	65,015

2019/20	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(129,000)	129,000
Employers contributions payable to the Strathclyde Pension Fund	62,000	(62,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	5,289	(5,289)
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(61,711)	61,711

Note 7: Debtors

As at 31 March 2020 £	Short-term Debtors	As at 31 March 2021 £
34	Prepayments	2,020
0	Other receivables	13,142
34	Total	15,162

Note 8: Creditors

As at 31 March 2020 (restated) £	Short-term Creditors	As at 31 March 2021 £
0	Trade Payables	(9,332)
(178,053)	Other Payables	(124,686)
(178,053)	Total	(134,018)

Note 9: Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires a settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation.

The provision made for this in 2018/19 was more than the eventual cost of the dilapidation charged and therefore the balance of this provision was reversed into Premises Related Costs in 2019/20. There were no further transactions in 2020/21.

Provisions	2019/20 £
Balance at 1 April 2019	(28,500)
Amounts used in year	10,332
Unused amounts reversed in year	18,168
Balance at 31 March 2021	0

Note 10: 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 (2019/20 £23,200). A proportion of the cost is

paid by the Green Network Partnership. The amount paid in respect of these services by the Clydeplan for the year ended 31 March 2021 was £18,900 (2019/20 £18,900).

2019/20 £	Council	%	2020/21 £
52,437.50	East Dunbartonshire	12.5%	72,437.50
52,437.50	East Renfrewshire	12.5%	72,437.50
52,437.50	Glasgow City	12.5%	72,437.50
52,437.50	Inverclyde	12.5%	72,437.50
52,437.50	North Lanarkshire	12.5%	72,437.50
52,437.50	Renfrewshire	12.5%	72,437.50
52,437.50	South Lanarkshire	12.5%	72,437.50
52,437.50	West Dunbartonshire	12.5%	72,437.50
419,500.00	GCVSDPA Funding	100.0%	579,500.00

In addition to requisitions in the table there was grant funding of £5k passed through 7 of the local authorities and £65K from Glasgow City for staff secondment.

Note 11: External audit costs

2019/20 £		2020/21 £
2,960	Fees payable with regard to external audit services carried out by the appointed auditor	3,040
2,960	Total	3,040

Note 12: Retirement Benefits

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

12a: 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 2020/21:

2019/20 £		2020/21 £
	Comprehensive Income & Expenditure Statement (CIES)	
144,000	Current service cost	127,000
(31,000)	Past service cost	0
113,000		127,000
	Financing and Investment Income & Expenditure	
16,000	Net interest	6,000
129,000	Post-employment benefit charged to the Surplus/Deficit on the Provision of Services	133,000
	Other post employment benefit charged to the CIES	
286,000	Return on assets excluding amounts included in net interest	(523,000)
(737,000)	Actuarial (gains)/losses arising on changes in financial assumptions	604,000
(451,000)	Total Actuarial (Gain)/Loss	81,000
(322,000)	Total post employment benefit charged to the CIES	214,000
	Movement in Reserves Statement	
384,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	(145,000)
62,000	Employers Contributions paid to Strathclyde Pension Fund	69,000

Notes

- **Current service cost** is the cost of future entitlements to pension payments to current employees.
- **Past service cost** is the estimated increase in liabilities arising from current decisions that relates to years of service earned prior to this year.
- In addition to the recognised gains and losses included in the CIES, an actuarial loss of £81k is included in the **Movement in Reserves Statement** (2019/20 £451k gain).
- **Net interest** is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2020/21 these amounted to £9,125 (2019/20 £8,970).

12b: 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:

2019/20 £000		2020/21 £000
4,881	Opening Present Value	4,327
144	Current service cost	127
(31)	Past Service Cost	0
119	Interest Cost	101
23	Employee Contributions	26
(72)	Benefits Paid	(76)
	Remeasurement (gains)/losses:	
(737)	Actuarial (gains)/losses arising from changes in financial assumptions	604
4,327	Closing Present Value	5,109

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

2019/20 £000		2020/21 £000
4,295	Opening Fair Value	4,125
103	Interest Income	95
62	Contributions from employer	69
23	Contributions from employee	26
(72)	Benefits Paid	(76)
	Remeasurement gain/(loss):	
(286)	Return on assets excluding amounts included in net interest	523
4,125	Closing Fair Value	4,762

12c: Fund history

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Present Value of Liabilities	(4,639)	(4,229)	(4,881)	(4,327)	(5,109)
Fair value of assets	3,699	4,036	4,295	4,125	4,762
Surplus/(deficit) in the scheme	(940)	(193)	(586)	(202)	(347)

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

The net liability of £347k 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 2022 is £69k.

12d: Basis for estimating assets and liabilities

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

2019/20 £000		%	2020/21 £000
954	Equity Securities	22.8%	1,086
129	Debt Securities	0.0%	0
493	Private Equity	18.4%	877
374	Real Estate	8.1%	387
1,758	Investment Funds and	48.8%	2,323
417	Cash & Cash Equivalents	1.9%	89
4,125		100.0%	4,762

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 2020.

The principal assumptions used by the actuary have been:

2019/20	Mortality assumptions	2020/21
Longevity at 65 for current pensioners (years)		
20.7	Men	19.8
22.9	Women	22.6
Longevity at 65 for future pensioners (years)		
22.2	Men	21.2
24.6	Women	24.7
2019/20	Other assumptions	2020/21
3.0%	Rate of increase in salaries	3.6%
1.9%	Rate of increase in pensions	2.9%
2.3%	Rate for discounting scheme liabilities	2.0%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

12e: 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 2020/21 and 2021/22.

Note 13: Contingent Liabilities and Assets

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women; however overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension.

The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits.

Strathclyde Pension Fund's actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £21k for Clydeplan. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

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

Note 14: Agency Services

Clydeplan acts on behalf of Clyde Marine as an agent. Funding is sent by Clyde Marine to Clydeplan's bank account and invoices are paid from this funding to Clyde Marine's suppliers. There is no operational input by Clydeplan and no gain or loss to Clydeplan. These funds are not, therefore, included in the financial results of Clydeplan. The total cash received and remitted in 2020/21 was £96k (£192k in 2019/20).

Note 15: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2020/21 financial year and its financial position as at 31 March 2021. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices.

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

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

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

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

B Accruals of Expenditure and Income

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

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- Revenue from the provision of services is recognised when the authority satisfies the performance obligation of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected;
- Suppliers invoices paid in the one week following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

C Contingent Liabilities

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

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

D Employee Benefits

Benefits payable during employment

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

Post-employment benefits

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

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

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

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

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

E Events after the Balance Sheet date

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

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

the nature of the event and its estimated financial effect.

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

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

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

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

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

G Government Grants and other Contributions

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

- the Joint Committee will comply with the conditions attached to the payments; and

- the grants or contributions will be received.

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

H Non-current Assets

Clydeplan carried out a review during 2020/21 on plant and equipment and intangible assets and deemed that no items currently qualify for recognition. Assets that are held for use in the supply of services or other administrative purposes and are expected to be used for more than one year are classed as property, plant and equipment and intangible assets. Assets costing less than £9,000 are not treated as capital expenditure.

I Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires a settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year.

J Reserves

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

Usable Reserves

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

Unusable Reserves

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

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

K Value Added Tax

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

Note 16: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £0.503m, equating to an 10% increase. The carrying value of the pension liability was £0.347m as at 31 March 2021. For further details see Note 12: Retirement Benefits.

Note 17: Green Network Partnership

Overview

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

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

In May 2021, the Green Network Manager retired, and the post will not be filled. This leaves GCVGNP with two staff members.

At its Partnership meeting on 12 May 2021, the GCVGNP approved a change to the contribution funding, whereby, the funding for 2021/22 and future years will only consist of the contributions from the eight local authorities.

Financial Performance

Revenue

GCVGNP has returned a surplus of £14k against a budgeted deficit of £4k, giving a net position of £10k (2019/20 £6k). The surplus is a result of a reduction in expenditure in property costs due to the move to 40 John Street. Reduction in requisition income from Scottish Forestry and Scottish Natural Heritage is due to a reduction in expenditure.

GCVGNP is a significant regional component of the Central Scotland Green Network (CSGN). As a result, the GCVGNP secures additional funding for various projects related to the CSGN. The GCVGNP has been a key partner in the study and planning of the development of the Seven Lochs Wetland Park; however, there was no project expenditure by the GCVGNP in either 2020/21 or 2019/20.

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

2019/20 £	Council	Percentage	2020/21 £
5,756	East Dunbartonshire	2.9%	5,756
4,900	East Renfrewshire	2.5%	4,900
31,949	Glasgow City	16.2%	31,949
4,451	Inverclyde	2.3%	4,451
17,825	North Lanarkshire	9.0%	17,825
9,311	Renfrewshire	4.7%	9,311
16,992	South Lanarkshire	8.6%	16,992
5,001	West Dunbartonshire	2.5%	5,001
Third Party			
33,619	Scottish National Heritage	16.0%	31,627
32,276	Scottish Forestry	16.5%	32,577
7,210	Glasgow Centre for Population Health	3.7%	7,210
4,809	Scottish Environmental Protection Agency	2.4%	4,809
18,737	Central Scotland Green Network	9.1%	18,005
7,000	NHS Health Scotland	3.5%	7,000
199,836	Total Green Network Partnership Funding	100.0%	197,413

Reserves

The Partnership retains financial reserves to offset any liabilities of the Partnership. The following table shows the value of the Partnerships reserves at 31 March 2021. This is analysed into Usable reserves, which is derived from partnership funding and can be used to fund expenditure, and Unusable reserves, which cannot be used to fund expenditure.

2019/20 £	Reserves	2020/21 £
(99,299)	Usable Reserves	(113,306)
	Unusable Reserves:	
1,178	Employee Statutory Adjustment Account	3,109
192,000	Pension Reserve	312,000
93,879	Total	201,803

Budget 2021/22

The GNP's 2021/22 budget was approved by the ClydePlan Joint Committee on 14 December 2020.

Since then, notification has been given that the Green Network Partnership Manager is retiring in May 2021, and the post will not be filled. This result is Green Network Partnership staff reducing to 1.6 FTE. Furthermore, at its meeting on 12 May the Joint Committee decided that the funding of external partners for the Green Network Partnership will no longer continue and that the budget will consist only of requisitions from the eight local authorities.

These changes have necessitated a revised budget proposal, which is being reported for approval at the Joint Committee on 14 June 2021.