



## **Renfrewshire Valuation Joint Board**

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

<b>Date</b>	<b>Time</b>	<b>Venue</b>
Friday, 17 August 2018	14:00	Inverclyde Council, Municipal Buildings, Clyde Square, GREENOCK, PA15 1LZ

KENNETH GRAHAM  
Clerk

#### **Membership**

Councillors Angela Convery, Danny Devlin, Charlie Gilbert and Paul O’Kane (East Renfrewshire Council); Councillors Graeme Brooks, Colin Jackson, Tommy McVey and Innes Nelson (Inverclyde Council); and Councillors Tom Begg, Jacqueline Cameron, Audrey Doig, Kenny MacLaren, Mags MacLaren, John McIntyre, Jim Sharkey and Andy Steel (Renfrewshire Council).

Councillor Audrey Doig (Convener): Councillor Danny Devlin (Depute Convener)

#### **Further Information**

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

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

For further information, please either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7112.

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

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

## Items of business

### Apologies

Apologies from members.

### Declarations of Interest

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

<b>1</b>	<b>Minute</b>	<b>5 - 12</b>
	Minute of meeting of the Joint Board held on 1 June 2018.	
<b>2</b>	<b>Attendance of Joint Board Members</b>	<b>13 - 14</b>
	Report by Clerk.	
<b>3</b>	<b>Annual Audit Report 2017/18</b>	<b>15 - 46</b>
	Report by Audit Scotland.	
<b>4</b>	<b>Audited Annual Accounts 2017/18</b>	<b>47 - 86</b>
	Report by Treasurer.	
<b>5</b>	<b>Revenue Budget Monitoring</b>	<b>87 - 90</b>
	Report by Treasurer.	
<b>6</b>	<b>Annual Canvass/Electoral Registration Update</b>	<b>91 - 94</b>
	Report by Assessor and Electoral Registration Officer.	
<b>7</b>	<b>Non-domestic Appeals</b>	<b>95 - 102</b>
	Report by Assistant Assessor and Electoral Registration Officer.	
<b>8</b>	<b>Performance Report</b>	<b>103 - 106</b>
	Report by Assistant Assessor and Electoral Registration Officer.	
<b>9</b>	<b>Corporate Risk Register</b>	<b>107 - 130</b>
	Report by Assistant Assessor and Electoral Registration Officer.	
<b>10</b>	<b>Risk Management Strategy</b>	<b>131 - 142</b>
	Report by Assistant Assessor and Electoral Registration Officer.	
<b>11</b>	<b>Flexible Retirement Policy</b>	<b>143 - 152</b>
	Report by Assessor and Electoral Registration Officer.	
<b>12</b>	<b>Carers Leave Policy</b>	<b>153 - 166</b>
	Report by Assessor and Electoral Registration Officer.	

### **13 Date of Next Meeting**

Note that the next meeting of the Joint Board will be held at 2.00 pm on 23 November 2018 in the Robertson Centre, Glasgow Road, Paisley.





## Renfrewshire Valuation Joint Board

### Minute of Meeting Renfrewshire Valuation Joint Board

Date	Time	Venue
Friday, 01 June 2018	14:00	East Renfrewshire Council (Council HQ), Council Headquarters, Eastwood Park, Rouken Glen Road, Giffnock, G45 6UG

#### Present

Councillor Paul O’Kane (East Renfrewshire Council); Councillor Graeme Brooks (Inverclyde Council); and Councillor Tom Begg, Councillor Jacqueline Cameron, Councillor Audrey Doig, Councillor Kenny MacLaren, Councillor Mags MacLaren, Councillor John McIntyre and Councillor Jim Sharkey (all Renfrewshire Council).

#### Apologies

Councillor Charlie Gilbert (East Renfrewshire Council); Councillor Colin Jackson, Councillor Tommy McVey, Councillor Innes Nelson (all Inverclyde Council); and Councillor Andy Steel (Renfrewshire Council).

#### In Attendance

K Crawford, Assessor and Electoral Registration Officer, J Murgatroyd, Divisional Assessor and Assistant Electoral Registration Officer, L Hendry, Divisional Assessor and Assistant Electoral Registration Officer and S Carlton, Principal Administrative Officer (all Renfrewshire Valuation Joint Board); and A McMahon, Chief Auditor, M Ball, Senior Accountant and E Currie, Senior Committee Services Officer (all Finance & Resources, Renfrewshire Council).

#### Declarations of Interest

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

## **1 Minute**

There was submitted the Minute of the meeting of the Joint Board held on 19 January 2018.

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

## **2 Unaudited Annual Accounts 2017/18**

There was submitted a report by the Treasurer relative to the unaudited annual accounts for the Joint Board 2017/18 which were attached to the report. The report intimated that the accounts for the year ended 31 March 2018 had been completed and forwarded to Audit Scotland for audit. The accounts showed a deficit for the year of £125,050 compared to a budgeted deficit of £118,600, returning an overspend of £6,450.

In accordance with the Local Authority Accounts (Scotland) Regulations 2014 the unaudited accounts had only been signed by the Treasurer as proper officer. The audited accounts would be signed by the Convener and Assessor and Electoral Registration Officer, as well as the Treasurer, in accordance with the regulations.

**DECIDED:** That the annual accounts for the year ended 31 March 2018 be noted and that the accounts be further presented to the Joint Board on completion of the audit.

## **3 Remuneration of Elected Members who are appointed Conveners and Vice-conveners of Joint Boards**

There was submitted a joint report by the Clerk and the Treasurer relative to remuneration for elected members who are appointed conveners and vice-conveners of Joint Boards.

The report intimated that The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 introduced a system of remuneration for elected members which included those councillors who held offices as convener or vice-convener of a joint board such as the Renfrewshire Valuation Joint Board.

The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2018 came into force on 1 April 2018 and implemented an increase of 0.4% in the yearly remuneration payable to councillors from 1 April 2018.

The convener of a joint board would be paid a total yearly amount of £21,245 and the vice-convener of a joint board would be paid a total yearly amount of £20,183 both inclusive of any amount payable to a convener or vice-convener as a councillor or senior councillor.

It was noted that the Regulations stated that “remuneration shall be paid by the local authority of which the convener and vice-convener (as the case may be) is a member to one convener and one vice-convener for each joint board”. The remuneration costs for both the Convener and Depute Convener of the Renfrewshire Valuation Joint Board shall be met in full by Renfrewshire Council for Councillor Audrey Doig and East Renfrewshire Council for Councillor Danny Devlin.

**DECIDED:**

(a) That the revised remuneration levels mandated by The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2018 for the Convener and Depute Convener of the Renfrewshire Valuation Joint Board be noted;

(b) That it be noted that the remuneration costs for each position would be met by the local authority at which the position holder was an elected member.

#### **4 Internal Audit Annual Report 2017/18**

There was submitted a report by the Chief Auditor, Renfrewshire Council relative to the Internal Audit annual report on the Renfrewshire Valuation Joint Board 2017/18. The report intimated that the public sector internal audit standards required that the Chief Auditor prepare an annual report on the internal audit activity's purpose, authority and responsibility as well as performance relative to its plan. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control environment of the audited body.

The annual report for the Joint Board was attached as an appendix to the report and outlined the role of internal audit, the performance of the internal audit team and the main findings from the internal audit work undertaken in 2017/18 and contained an audit assurance statement.

**DECIDED:** That the Internal Audit annual report for 2017/18 be noted.

#### **5 Service Review Part 1**

Under reference to item 8 of the Minute of the meeting of this Joint Board held on 30 June 2017 there was submitted a report by the Assessor and Electoral Registration Officer relative to an update on the progress of the service review in relation to the current issue of the loss of the Depute Assessor's post.

The report intimated that this was the first stage in meeting the strategic changes and workforce issues which would require to be addressed over the coming months and years. Audit Scotland, in their 2016/17 report, had highlighted the need to establish a financially sustainable position going forward whilst acknowledging the fiscal constraints under which local government was currently operating and accepting the fact that service delivery must be maintained.

The deletion of the post of Depute Assessor and Electoral Registration Officer had been approved by the Joint Board at its meeting held on 18 November 2016 however, the duties previously undertaken by that post required to be re-distributed and re-assigned to one or more job roles within the organisation to ensure that the Assessor and Electoral Registration Officer had appropriate cover as set out by statute.

The changes to the structure of the Joint Board were detailed in the report. An amended Appendix D was tabled at the meeting which detailed the current structure of the Joint Board and Appendix E to the report detailed the proposed structure of the Joint Board.

It was noted that the Assessor and Electoral Registration Officer believed that the revised structure allowed the Joint Board to incorporate the previous duties and responsibilities of the Depute Assessor and Electoral Registration Officer's post. Going forward, the Assessor and Electoral Registration Officer would look again at the Joint Board structure to ensure that the Joint Board was fit for purpose and had suitable resources to allow the future challenges to be met.

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

## **6 Strategic Service Plan 2018/21**

There was submitted a report by the Assessor and Electoral Registration Officer relative to the strategic service plan 2018/21 for the Joint Board.

The service plan set out the Joint Board's service mission and vision; service functions; core objectives; and key activities and outcomes.

**DECIDED:** That the strategic service plan 2018/21 be noted.

## **7 Annual Canvass - Electoral Registration Update**

There was submitted a report by the Assessor and Electoral Registration Officer providing information on the forthcoming annual canvass 2018 and an update on the tendering for both an electronic management system and print and scan services.

The report intimated that the issue of household enquiry forms to all properties in the Joint Board area would commence in early June. These forms invited those at each property to complete and return the form either online, by telephone, text or post and details of the method of return for 2015, 2016 and 2017 were detailed in the report. Any changes notified would result in the issue of an Invitation to Register which could be completed online using the Governments Digital Service, by post or by telephone. Reminders would be issued to all properties where no response had been received in early August.

The next phase, the door-to-door canvass of properties where no response had been received, would be undertaken during September and November with canvassers visiting the properties in an attempt to obtain a completed household enquiry form. Under current legislation local data held by Councils and other bodies could not be used for this canvass and this continued to add to the costs and complexity of the canvass. Discussions were ongoing with the Government around making changes to the canvass procedures to make the process more efficient both in terms of cost and engagement with electors.

The Registers would be published on 1 December 2018 and details of the electorate for the last three years by constituent authority area were detailed in the report.

In relation to revised proposals for the 2018 Review of UK Parliamentary Constituencies, the Boundary Commission was considering responses to the consultation and developing final recommendations for submission to the Secretary of State for Scotland in September 2018.



The report advised that Returning Officers were responsible for the next compulsory review of polling district and places which must be started and completed between 1 October 2018 and 31 January 2019. The Electoral Registration Officer would have additional workload resulting from the review.

In December 2017, Renfrewshire Council's procurement service had invited tenders, on behalf of the Joint Board, for an Electoral Management System. On review of the submissions it was clear that some matters required further clarification and the original tender was withdrawn. A new tender document had been prepared and would be advertised in due course. The Joint Board was also in the process of inviting tenders for the provision of all print and scan services.

A National Democracy Week would take place in early July and Assessors and Electoral Registration Officers throughout Scotland had engaged STV to run some TV advertising to promote democratic engagement and help ensure that the message reached a wider audience.

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

## **8 Performance Report**

There was submitted a report by the Divisional Assessor & Assistant Electoral Registration Officer providing an update on the current performance and workload issues facing the Joint Board together with the Valuation Roll and Council Tax performance statistics for 2017/18.

The report detailed the performance in Council Tax and non-domestic valuation against set targets. In relation to Council Tax valuation for the period 1 April 2017 to 31 March 2018, it was noted that the addition of new houses to the Valuation List and the deletion of demolished houses remained a priority with the time taken to enter new houses into the Valuation (Council Tax) List exceeding the target of 95% within three months and 99.50% within six months.

The report also detailed the average number of days taken to add a house in each constituent authority area between 1 April 2017 and 31 March 2018 and also the number of deletions from the Valuation (Council Tax) List between 1 April and 31 March during 2016/17 and 2017/18 by constituent authority area.

The report set out the time taken to make statutory amendments to the Valuation Roll, excluding appeal settlements and amendments to the prescribed entries, between 1 April 2017 and 31 March 2018 by constituent authority area, which fell below the targets of 80% to be actioned within three months and 95% within six months. It was noted that narrowly missing these targets did not give cause for concern and the report detailed the reasons for this.

The summary of performance returns 2008/09 to 2017/18 was tabled.

**DECIDED:**

(a) That the report be noted; and

(b) That the publication of the summary report, tabled at the meeting, be approved.

## 9 Non-domestic Appeals

There was submitted a report by the Divisional Assessor and Assistant Electoral Registration Officer advising of the number of revaluation appeals and running roll appeals received since the 2017 revaluation and the effect this could have on values and resources.

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

The revaluation brought with it a fresh right of appeal and traditionally resulted in a large influx of appeals. The total number of revaluation appeals received for 2017 was 3,832. Following a revaluation, new values would generally remain unchanged until the next revaluation unless the property was altered or other changes had taken place. New properties would be added to the roll as they became capable of occupation and entries for demolished buildings would be deleted.

For comparison, Appendix 1 to the report detailed the 2010 revaluation appeals; Appendix 2 to the report detailed the running roll appeals for 2010/11; Appendix 3 to the report detailed the 2017 revaluation appeals; and Appendix 4 to the report detailed the 2017/18 running roll appeals all by category type.

A running roll appeal could be lodged by a rate payer or their agent on the grounds that there had been a material change of circumstances which had affected the value of the property. At present 350 running roll appeals had been received.

The total revaluation and running roll appeals currently lodged with the Joint Board was 4,182 and all must be cited for a local Valuation Appeal Committee hearing by 31 December 2020.

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

## 10 Review of Scheme of Delegated Functions

There was submitted a report by the Clerk relative to a revised scheme of delegated functions for the Joint Board.

The report intimated that the Joint Board approved its scheme of delegation and recognition at a meeting held on 28 August 2018. This scheme had subsequently been amended at meetings held on 14 August 1998, 14 May 2004, 19 May 2006 and 20 August 2010.

Having regard to the role and functions of the Joint Board and good practice and in view of the passage of time, a review of the scheme had been undertaken by the Clerk, in consultation with the Assessor and Electoral Registration Officer.

A copy of the revised scheme of delegation formed the appendix to the report with suggested deletions detailed in blue ink and scored through and the suggested additions detailed in red ink. The current review was aimed at ensuring that the provisions of the scheme did not contain any obstacles to the efficient operation of the Joint Board's functions and the amendments proposed reflected that approach. The most significant changes were set out in section 4 of the report.

**DECIDED:** That the existing scheme of delegation be revoked and the revised scheme of delegation, as appended to the report, be approved.

## **11 Revised Financial Regulations**

There was submitted a report by the Chief Auditor, Renfrewshire Council relative to revised Financial Regulations.

The report intimated that a comprehensive and up-to-date set of Financial Regulations was a key element of corporate governance as they provided a framework for good financial management.

The main changes related to changes to the designations of those officers appointed as Treasurer and Clerk to the Joint Board. Some other minor changes had been made in order to improve clarity and recognition that previously adopted financial codes for banking arrangements, insurance and risk management and write-offs had been incorporated into the Joint Board's financial codes.

The updated Financial Regulations were appended to the report. It was noted that the updated financial codes would be issued to the Assessor and Electoral Registration Officer following approval of the revised Financial Regulations.

**DECIDED:** That the revised Financial Regulations be approved.

## **12 Internal Audit Reporting Arrangements**

There was submitted a report by the Chief Auditor, Renfrewshire Council relative to internal audit reporting arrangements.

The report intimated that Audit Scotland in their report to members on the annual audit for 2016/17 identified that "internal audit reports were not provided to members of the Joint Board". This had presented the Chief Auditor with an opportunity to review and formalise the internal audit reporting arrangements for the Joint Board.

It was noted that in line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Joint Board. The report outlined the details and outcomes of the Chief Auditor's considerations in relation to the Joint Board reporting arrangements for completed audit engagements and follow-up work.

**DECIDED:** That the reporting arrangements put in place to communicate the results of internal audit work to the Joint Board be noted.

## **13 Summary of Outstanding Recommendations**

There was submitted a report by the Chief Auditor, Renfrewshire Council relative to a summary of outstanding internal audit recommendations.

The report intimated that Internal Audit undertake an annual exercise to ensure that recommendations arising from internal audit engagements had been implemented by management. The Public Sector Internal Audit Standards placed the responsibility for monitoring progress with the Chief Auditor to ensure that management actions had been effectively implemented, or, if not, that senior management had accepted the risk of not taking action.

The appendix to the report provided details those recommendations which had not yet been implemented or were in the process of being implemented together with the management response.

The Assessor and Electoral Registration Officer advised that she would provide an update to members at the next meeting of the Joint Board to be held on 17 August 2018.

**DECIDED:**

- (a) That the up-to-date position of the outstanding recommendations be noted; and
- (b) That the Assessor and Electoral Registration Officer provide an update to members at the next meeting of the Joint Board to be held on 17 August 2018.

## **14 Flexible Working Policy and Procedures**

There was submitted a report by the Assessor and Electoral Registration Officer relative to the updated Flexible Working Policy and Procedures for Joint Board staff, copies of which were appended to the report.

The report intimated that the Joint Board was committed to adopting new ways of working which assisted in the process of modernising service delivery whilst promoting work-life balance for employees. This policy and supporting procedures aimed to ensure the fair and equitable treatment of all employees; committed the Joint Board to make reasonable adjustments to remove barriers, avoiding discrimination for employees; and extended to all Joint Board employees covered by Local Government Terms and Conditions.

**DECIDED:** That the updated Flexible Working Policy and Procedures for Joint Board staff be approved.

## **15 Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Joint Board would be held at 2.00 pm on 17 August 2018 within Inverclyde Council, Municipal Buildings, Clyde Square, Greenock.



## Renfrewshire Valuation Joint Board

To: Renfrewshire Valuation Joint Board

On: 17 August 2018

Report  
by  
Clerk

### Attendance at Joint Board Meetings

#### 1. Summary

##### 1.1 The Joint Board's procedural standing orders state:

10 If a member does not go to any meetings of the board for 12 months, the clerk must tell the board (unless the board has given the member permission not to attend). If the board is not satisfied about why the member has failed to attend, it will tell that member's constituent authority so that they can consider ending the appointment of that member and appointing a replacement member.

##### 1.2 Councillor Angela Convery and Councillor Danny Devlin, both East Renfrewshire Council, last attended a meeting of the Renfrewshire Valuation Joint on 30 June 2017. Both councillors have advised that this has been due to work commitments.

#### 2. Recommendation

##### 2.1 That the Joint Board consider this matter.



**RENFREWSHIRE VALUATION JOINT BOARD**

**To:** Renfrewshire Valuation Joint Board

**On:** 17 August 2018

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**Report by:** Audit Scotland

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**Heading:** Annual Audit Report 2017-18

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**1. Summary**

- 1.1 At the meeting of the Renfrewshire Valuation Joint Board on 1 June 2018 a report on the unaudited accounts for the year ended 31 March was noted.
- 1.2 The audit certificate issued by Audit Scotland provides an unqualified opinion that the annual accounts presents a true and fair view of the financial position of the Joint Board as at 31 March 2018, in accordance with the accounting policies detailed in the accounts.
- 1.3 A member of the Audit Scotland will present this paper report and answer any questions.

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**2 Recommendations**

- 2.1 It is recommended that members note the report by Audit Scotland.
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## Renfrewshire Valuation Joint Board

The Robertson Centre  
16 Glasgow Road  
Paisley  
PA1 3QF

17 August 2018

## Renfrewshire Valuation Joint Board Audit of 2017/18 annual accounts

### Independent auditor's report

1. Our audit work on the 2017/18 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 28 August 2018 (the proposed report is attached at [Appendix A](#)).

### Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Joint Board's consideration our draft annual report on the 2017/18 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.
3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.
4. This report will be issued in final form after the annual accounts have been certified.

### Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected. We have no unadjusted misstatements to bring to your attention.

### Representations from Section 95 Officer

6. As part of the completion of our audit, we are seeking written representations from the Treasurer on aspects of the annual accounts, including the judgements and estimates made.
7. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Treasurer with the signed annual accounts prior to the independent auditor's report being certified.



## APPENDIX A: Proposed Independent Auditor's Report

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

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### Report on the audit of the financial statements

#### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Renfrewshire Valuation Joint Board for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement 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 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the body as at 31 March 2018 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 2017/18 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)). 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 am independent of the body 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. 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Responsibilities of the Treasurer and the Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the body'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 Board is responsible for overseeing the financial reporting process.

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

My objectives are to achieve 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.

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

### **Other information in the annual accounts**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Report on other requirements**

#### **Opinions on matters prescribed by the Accounts Commission**

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

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 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; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Mark Ferris

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

August 2018



## APPENDIX B: Letter of Representation (ISA 580)

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

Dear Mark

### **Renfrewshire Valuation Joint Board Annual Accounts 2017/18**

1. This representation letter is provided in connection with your audit of the annual accounts of Renfrewshire Valuation Joint Board for the year ended 31 March 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and governance statement.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the Assessor and ERO, the following representations given to you in connection with your audit of Renfrewshire Valuation Joint Board's annual accounts for the year ended 31 March 2018.

### **General**

3. Renfrewshire Valuation Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2017/18 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Renfrewshire Valuation Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

### **Financial Reporting Framework**

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (2017/18 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Renfrewshire Valuation Joint Board at 31 March 2018 and the transactions for 2017/18.

### **Accounting Policies & Estimates**

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2017/18 accounting code where applicable.

Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Renfrewshire Valuation Joint Board circumstances and have been consistently applied.

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

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

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

### **Assets**

10. The assets shown in the Balance Sheet at 31 March 2018 were owned by Renfrewshire Valuation Joint Board, other than assets which have been purchased under finance leases. Assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

### **Liabilities**

11. All liabilities at 31 March 2018 of which I am aware have been recognised in the annual accounts.
12. The accrual recognised in the financial statements for holiday untaken by 31 March 2018 has been estimated on a reasonable basis.
13. The pension assumptions made by the actuary in the IAS 19 report for Renfrewshire Valuation Joint Board have been considered and I confirm that they are consistent with management's own view.
14. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

### **Fraud**

15. I have provided you with all information in relation to
  - my assessment of the risk that the financial statements may be materially misstated as a result of fraud
  - any allegations of fraud or suspected fraud affecting the financial statements
  - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

### **Laws and Regulations**

16. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.



## **Related Party Transactions**

17. All material transactions with related parties have been disclosed in the financial statements in accordance with the 2017/18 accounting code. I have made available to you the identity of all the Joint Board's related parties and all the related party relationships and transactions of which I am aware.

## **Remuneration Report**

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

## **Management commentary**

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

## **Corporate Governance**

20. I confirm that the Renfrewshire Valuation Joint Board has undertaken a review of the system of internal control during 2017/18 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.
21. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2018, which require to be reflected.

## **Events Subsequent to the Date of the Balance Sheet**

22. There have been no material events since the date of the Balance Sheet which necessitate revision of the figures in the financial statements or notes thereto including contingent assets and liabilities.
23. Since the date of the Balance Sheet no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

Yours sincerely

Treasurer



# Renfrewshire Valuation Joint Board

2017/18 Annual Audit Report

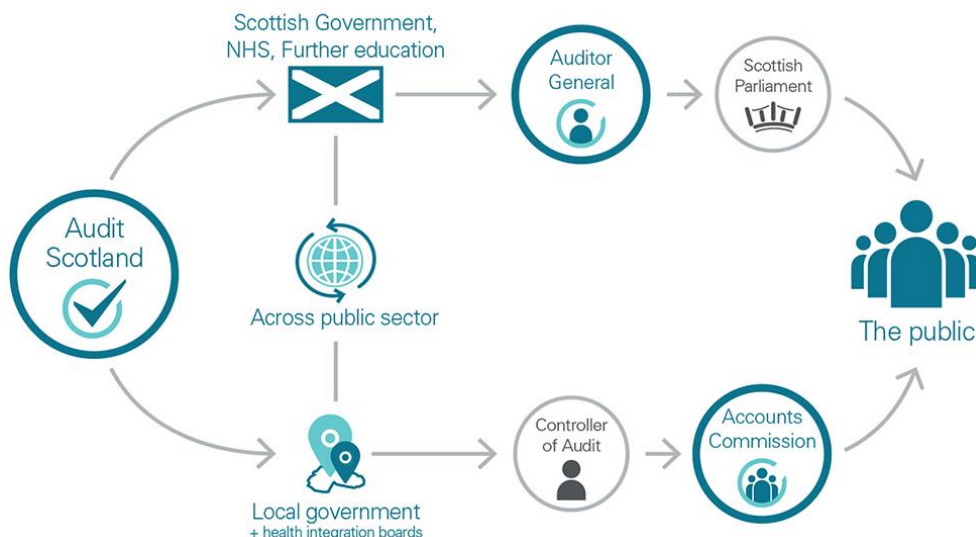


Prepared for the Members of Renfrewshire Valuation Joint Board and the Controller of Audit  
17 August 2018

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Key messages

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## 2017/18 annual report and accounts

- 1** In our opinion the Joint Board's financial statements give a true and fair view and were properly prepared and, expenditure and income was in accordance with applicable enactments and guidance.
- 2** The audited part of the Remuneration Report, Management Commentary and the Governance Statement were all consistent with the financial statements.
- 3** Management should continue to review how capital expenditure and reserves are disclosed within the financial statements.

## Financial sustainability and Governance Statement

- 4** A deficit of £0.125 million was generated in 2017/18 which was slightly higher than budgeted. The deficit was managed through the planned use of reserves.
- 5** We concluded that the information in the Governance Statement is consistent with the financial statements and complies with the guidance issued by the Scottish Ministers.
- 6** The Corporate Risk Register has not been reported to the Joint Board since August 2016. This should be updated and reported to the Joint Board in line with the Risk Management Strategy.

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# Introduction

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1. This report summarises the findings from our 2017/18 audit of Renfrewshire Valuation Joint Board (RVJB).
2. The scope of our audit was set out in our Annual Audit Plan presented to the 19 January 2018 meeting of the Joint Board. This report comprises the findings from:
  - an audit of the RVJB annual report and accounts
  - consideration of the financial sustainability and Governance Statement
3. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are:
  - financial sustainability
  - financial management
  - governance and transparency
  - value for money.
4. 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 Governance Statement and the financial sustainability of the body and its services.
5. As highlighted in our [2017/18 Annual Audit Plan](#) (paragraph 21), due to the volume and lack of complexity of the financial transactions, and nature and size of RVJB, we applied the small body provisions of the Code to the 2017/18 audit of RVJB.
6. RVJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing an annual report and accounts that are in accordance with the accounts direction from Scottish Ministers. RVJB is also responsible for compliance with legislation putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.
7. Our responsibilities as independent auditor are established by the Local Government (Scotland) Act 1973 and the [Code of Audit Practice 2016](#), and guided by the auditing profession's ethical guidance.
8. As public sector auditors we give independent opinions on the annual report and accounts and conclusions on securing financial sustainability and appropriateness of the Governance Statement disclosures. In doing this, we aim to support improvement and accountability.
9. 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.



**10.** Our Annual Audit Report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes actions from last year and progress against these.

**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 2017/18 audit fee of £7,080 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

### **Adding value through the audit**

**12.** Our aim is to add value to RVJB by providing insight on financial sustainability and by identifying areas of improvement and recommending good practice. In so doing, we aim to help RVJB promote improved standards of financial planning, better management and decision making.

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

**14.** We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

# Part 1

## Audit of 2017/18 annual report and accounts



### Main judgements

**In our opinion RVJB's financial statements give a true and fair view and were properly prepared, and expenditure and income was in accordance with applicable enactments and guidance.**

**The audited part of Remuneration Report, Management Commentary and the Governance Statement were all consistent with the financial statements.**

**Management should continue to review how capital expenditure and reserves are disclosed within the financial statements.**

### Audit opinions on the annual report and accounts

**15.** The annual report and accounts for the year ended 31 March 2018 were approved by the Joint Board on board on 17 August 2018. We reported, within our independent auditor's report:

- an unqualified opinion on the financial statements
- the audited part of the Remuneration Report, Management Commentary and Governance Statement were all consistent with the financial statements and properly prepared in accordance with the accounts direction
- we have nothing to report in respect of those matters which we are required by the Accounts Commission to report by exception.

The annual report and accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

### Submission of annual report and accounts for audit

**16.** We received the unaudited annual report and accounts on 18 May 2018 which was earlier than our agreed audit timetable.

**17.** The unaudited annual report and 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.

### Risks of material misstatement

**18.** [Appendix 2](#) provides a description of areas we assessed as being at risk of material misstatement at the planning stage, how we addressed them and our conclusions thereon. These risks influenced our overall audit strategy, the allocation of staff resources to the audit and how the efforts of the audit team were directed.

### Materiality

**19.** Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. When

deciding on what is material we consider both the amount and nature of the misstatement.

**20.** We carried out our initial assessment of materiality for the annual report and accounts during the planning phase of the audit. On receipt of the unaudited annual report and accounts we reviewed our planning materiality calculations and concluded that, while the values changed slightly, they remained appropriate and these are summarised in [Exhibit 1](#).

## Exhibit 1

### Materiality values

Materiality level	Annual Audit Plan	Unaudited annual report and accounts
<b>Overall materiality</b> – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2018.	£27,300	£28,100
<b>Performance materiality</b> – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 75% of overall materiality.	£20,400	£21,000
<b>Reporting threshold (i.e. clearly trivial)</b> – We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount.	£1,000	£1,000

Source: Annual Audit Plan 2017/18

## How we evaluate misstatements

**21.** It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected. The final decision on this lies with those charged with governance considering advice from senior officers and materiality. There were no material adjustments to the unaudited financial statements and no errors above the reporting threshold.

## Significant findings from the audit (ISA 260)

**22.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance. There are no significant findings to report.

## Other issues

**23.** The Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Accounting Code) outlines that for financial statements to be useful, they must provide a faithful representation of financial information with the substance of a transaction/process being reported as opposed to its legal form.

**24.** During the audit, we noted RVJB had incurred capital expenditure but this had been accounted for as revenue expenditure. The financial statements disclose that

RVJB does not have the power to hold assets therefore any capital expenditure is treated as revenue expenditure.

**25.** A similar disclosure issue was identified with RVJB's reserves. The financial statements outline Joint Boards have no specific powers to hold reserves therefore reserves are transferred to creditors. Any reserves that have been built up will ultimately be returned to the member councils upon the cessation of RVJB or when the Joint Board decides to reimburse the reserves to member councils.

**26.** Discussions with management are ongoing to conclude whether the current treatment of capital expenditure and reserves is appropriate or needs to be revised going forward.



### Recommendation 1

**Management should continue to review how capital expenditure and reserves are disclosed within the financial statements.**

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### Follow up of prior year recommendations

**27.** We have followed up actions previously reported and assessed progress. Two agreed actions were raised in 2016/17 and both have been fully actioned as outlined in [Appendix 1](#).

# Part 2

## Financial sustainability and Governance Statement



### Main judgements

A deficit of £0.125 million was generated in 2017/18 which was slightly higher than budgeted. The deficit was managed through the planned use of reserves.

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

The Corporate Risk Register has not been reported to the Joint Board since August 2016. This should be updated and reported to the Joint Board in line with the Risk Management Strategy.

### Financial performance in 2017/18

**28.** The Joint Board approved the 2017/18 budget in January 2017. Total budgeted expenditure was £2.372 million and total budgeted income was £2.254 million. This resulted in a budget gap of £0.118 million that management planned to meet through the use of reserves.

**29.** Actual outturn in 2017/18 was total expenditure of £2.472 million and total income of £2.347 million. This resulted in a deficit of £0.125 million for the year which was £0.007 million higher than the budgeted figure.

### Short term financial planning

**30.** The largest source of income for RVJB is requisitions from members of the Joint Board. Other sources of income include funding from the Cabinet Office for Individual Electoral Registration (IER) and income from sales, fees and charges. From 2018/19 onwards, RVJB is also looking to generate income from leasing out part of the Robertson Centre.

**31.** The Joint Board approved the 2018/19 budget in January 2018. Total budgeted expenditure was £2.396 million and total budgeted income was £2.330 million. This resulted in a budget gap of £0.066 million that management planned to meet through the use of reserves. Requisition income for 2018/19 has increased by 3% to £2.223 million.

**32.** The 2018/19 budget also proposed requisitions from members increases by 1% in 2019/20 and 2020/21. However, these increases will need to be approved by the Joint Board at each year's budget setting meeting. Lease income of £0.010 million is forecast in the 2018/19 budget and this increases to £0.040 million in subsequent years.

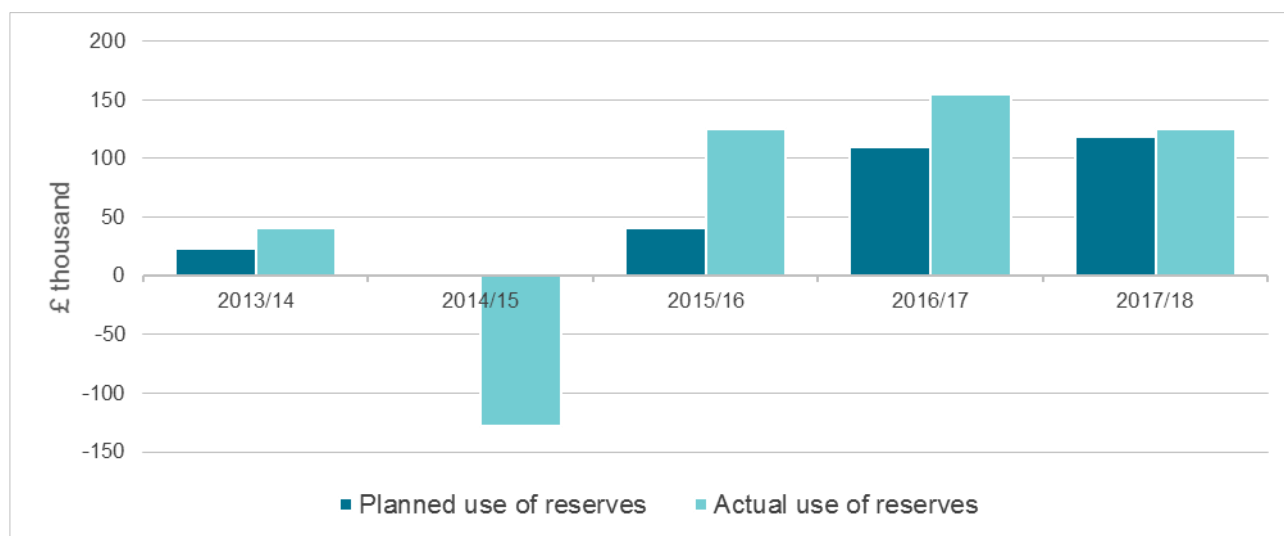
**33.** The 2018/19 budget highlights the need to use reserves to deliver services. This has been a common occurrence over the past 5 years ([Exhibit 2](#)). With the level of reserves expected to reduce to £0.121 million at the end of 2018/19; there is a risk there will be less flexibility for management to address adverse or uncertain events such as guarantees of funding for IER ([Exhibit 3](#)).

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

**34.** The Treasurer has considered the current level of reserves to be prudent to protect against unforeseen costs and the reserves balance is monitored at each Joint Board meeting through the revenue monitoring report.

## Exhibit 2

### Analysis of planned use of reserves against actual use of reserves

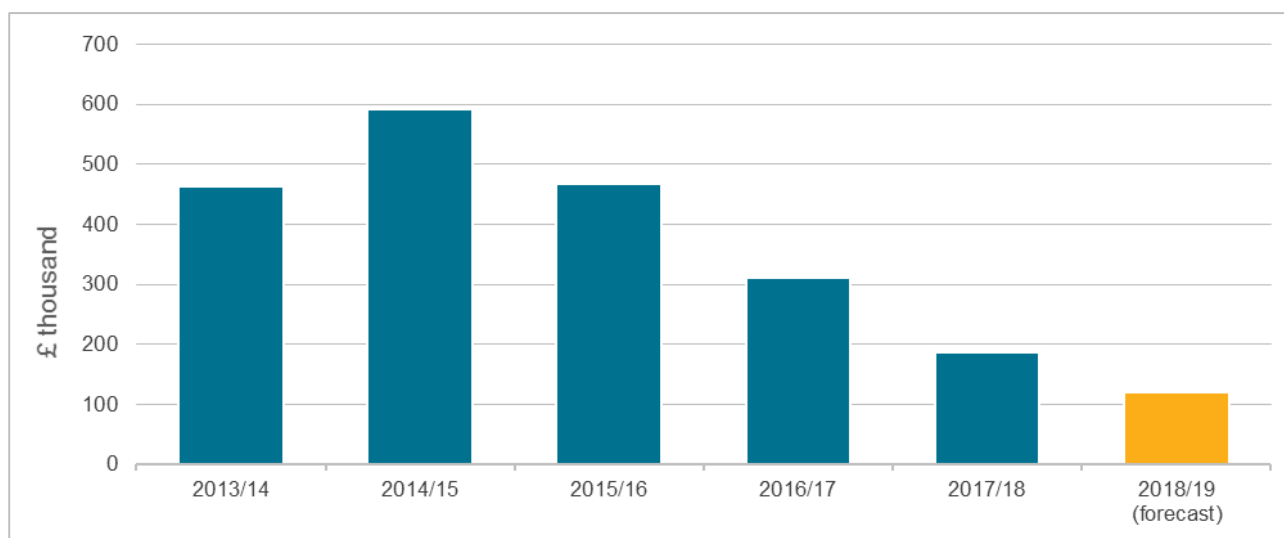


Note: A surplus was generated in 2014/15 which resulted in an increase to reserves. The significant difference between actual and planned in 2015/16 was due to the use of reserves to fund two voluntary exit packages which were approved by the Joint Board.

Source: RVJB annual report and accounts 2013/14 – 2017/18

## Exhibit 3

### Analysis of useable reserves



Source: RVJB annual report and accounts 2013/14 – 2017/18 and RVJB budget 2018/19

## Medium to long term financial planning

**35.** 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.

**36.** As part of the budget setting process, revenue estimates are prepared for a 3 year period. This allows management and members to identify pressures and take early actions to mitigate against these pressures.

**37.** In addition to 3 year revenue estimates, there are financial outlook papers presented to the Joint Board. These are reported on an ad-hoc basis but include details of significant issues or pressures on RVJB, actions being taken to address the issues, and incorporate scenario planning where applicable which outlines the impact of various situations that could arise.

**38.** The Joint Board approved RVJB's Strategic Service Plan 2018-2021 in June 2018. The plan outlines RVJB's statutory requirements and services, objectives, and outlines details of key activities and outcomes which will allow the objectives of the plan to be achieved over the 3 year period. The plan includes activities and outcomes in relation to financial planning, budgeting, and monitoring.

**39.** From the work carried out we have concluded that RVJB has adequate financial planning arrangements in place. There are pressures that could impact on RVJB's financial sustainability and ability to deliver services. However, the financial planning arrangements has allowed management to take mitigating actions against these pressures.

## Efficiency savings

**40.** In recent years, RVJB has been required to deliver efficiency savings to address budget pressures and reductions in requisition income. These have been achieved through renegotiation of contracts on more favourable terms, closure of RVJB's Greenock office, and the deletion of various posts when they become vacant and voluntary exits.

**41.** This has allowed RVJB to be financially sustainable, however there will be less opportunity to use these options going forward to achieve future savings. As reported in our [2016/17 Annual Audit Report](#), staffing levels had reached minimal levels and as a result future savings would need to be delivered through options other than voluntary exits.

**42.** A Service Review was carried out in early 2018 and results of this were reported to the Joint Board in June 2018. Part of the Service Review looked at how potential savings could be delivered. Several options were identified which included the update and replacement of various IT systems. Work is being done by management to assess the viability of these options and these are at various stages of development. This Service Review highlights management's awareness of the need for more significant changes to service delivery to achieve future savings.

## Governance Statement

**43.** Our review of the Governance Statement assessed the assurances which are provided to the Assessor and Electoral Registration Officer regarding the adequacy and effectiveness of the board's system of internal control which operated in the financial year. The statement also summarises internal audit findings with the Chief Internal Auditor's annual assurance statement concluding 'that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Board's internal control system'.

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

**45.** The Risk Management Strategy and Corporate Risk Register (CRR) are key elements supporting the governance framework. Our audit work noted that the CRR had not been reported to the Joint Board since August 2016. This is not in line with the Risk Management Strategy which requires the CRR to be reported to the Joint Board on at least an annual basis. Furthermore, the May 2017 election resulted in changes to the membership of the Joint Board and the CRR has not been reported to the new membership. Therefore, members may not be fully aware of the risks that affect RVJB and the actions being taken to mitigate against these risks.



## Recommendation 2

**The Corporate Risk Register should be updated and reported to the Joint Board in line with the Risk Management Strategy.**

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## Other matters

**46.** The General Data Protection Regulation (GDPR) become enforceable on 25 May 2018. The regulation made changes to data protection laws and the ways in which entities address data protection compliance. Failure to comply with the regulation could result in significant sanctions.

**47.** Renfrewshire Council has been providing support to RVJB in preparation for GDPR. GDPR requires organisations to appoint a designated Data Protection Officer (DPO). As RVJB does not have an in-house DPO they have negotiated that a dedicated DPO solicitor from Renfrewshire Council is appointed to this post costing around £0.013 million per annum. In addition, one of the Divisional Assessors and Assistant Electoral Registration Officers undertook bespoke training to improve inhouse knowledge.



# Appendix 1

## Action plan 2017/18

### 2017/18 recommendations for improvement



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p><b>Capital expenditure and reserves</b></p> <p>The financial statements disclose RVJB does not have the power to hold assets or reserves therefore capital expenditure and reserves are not reflected within the financial statements.</p> <p><b>Risk</b></p> <p>There is a risk the financial statements do not fully reflect the substance of RVJB's transactions.</p>	<p>It is recommended that management continue to review how capital expenditure and reserves are reported in the financial statements.</p> <p><a href="#">Paragraph 23 – 26</a></p>	<p>This will be reviewed and updated as appropriate.</p> <p>Responsible officer: Treasurer</p> <p>Target Date: 31 March 2019</p>
2	<p><b>Corporate Risk Register</b></p> <p>The Corporate Risk Register (CRR) was last reported to the Joint Board in August 2016. The Risk Management Strategy requires the CRR to be reported to the Joint Board on at least an annual basis. The May 2017 election resulted in changes to the membership of the Joint Board.</p> <p><b>Risk</b></p> <p>There is a risk the Joint Board is not sighted on the risks that could affect RVJB and its services or the mitigating actions being taken to address the risks.</p>	<p>The CRR should be updated and reported to the Joint Board on in line with the Risk Management Strategy.</p> <p><a href="#">Paragraph 44</a></p>	<p>The Corporate Risk Register will be updated and reported to the Joint Board on a biannual basis.</p> <p>Responsible officer: Assessor &amp; ERO</p> <p>Target date: 31 March 2019</p>

### Follow up of prior year recommendations

1	<p><b>Governance policies and procedures</b></p> <p>A review of governance policies and procedures was</p>	<p>It is recommended that these policies and procedures are reviewed and updated to</p>	<p><b>Scheme of delegation:</b></p> <p>The scheme of delegation was updated and approved by the Joint Board on 1 June 2018.</p>
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No.	Issue/risk	Recommendation	Agreed management action/timing
	<p>carried out and a number of policies require to be updated. These include the:</p> <ul style="list-style-type: none"> <li>• scheme of delegation</li> <li>• contract standing orders</li> <li>• financial regulations and financial codes</li> <li>• employee code of conduct.</li> </ul> <p>Without up to date policies and procedures there is a risk that functions are not delivered effectively and failures in governance could occur.</p>	reflect the current situation of RVJB.	<p>Responsible officer: Assessor and ERO</p> <p>Target date: 31 March 2018</p> <p>Actual date: 1 June 2018</p> <p><b>Contract standing orders:</b></p> <p>The contract standing orders were updated and approved by the Joint Board on 19 January 2018.</p> <p>Responsible officer: Head of Corporate Governance</p> <p>Target date: 31 March 2018</p> <p>Actual date: 19 January 2018</p> <p><b>Financial regulations:</b></p> <p>The financial regulations were updated and approved by the Joint Board on 1 June 2018.</p> <p>Responsible officer: Chief Auditor</p> <p>Target date: 31 March 2018</p> <p>Actual date: 1 June 2018</p> <p><b>Employee code of conduct:</b></p> <p>The employee code of conduct was updated and approved by the Joint Board on 19 January 2018.</p> <p>Responsible officer: Head of HR and OD</p> <p>Target date: 31 March 2018</p> <p>Actual date: 19 January 2018</p>
2	<p><b>Internal Audit reporting</b></p> <p>A review of minutes identified that internal audit reports are not provided to members of the Joint Board. As a result, there is a risk that members are not aware of any weaknesses that have been identified and may not be able to make informed decisions.</p>	It is recommended that management take internal audit reports to meeting of the Joint Board meetings to allow members to understand the findings of the work carried out.	<p>Internal audit reports have been taken to the Joint Board since the recommendation was made.</p> <p>Responsible officer: Assessor and ERO</p> <p>Target date: 31 March 2018</p> <p>Actual Date: 19 January 2018</p>

# Appendix 2

## Significant audit risks identified during planning

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. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>		
<b>1 Risk of management override of controls</b>  ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.	Detailed testing of journal entries.  Review of accounting estimates.  Focused testing of accruals and prepayments.  Evaluation of significant transactions that are outside the normal course of business.	No unusual or inappropriate transactions were identified as part of our detailed journal testing.  A review of accounting estimates did not show any evidence of bias.  Focused testing of accruals and prepayments did not identify any balances that were incorrectly held on the Balance Sheet.  Focused testing on a sample of transactions outside the normal course of business did not show any evidence of management override of controls.  <b>Conclusion: no evidence of management override of controls.</b>
<b>2 Risk of fraud over income</b>  RVJB has a number of funding sources which includes income generation. The extent of income means that, in accordance with ISA 240, there is an inherent risk of fraud that requires an audit response.	Analytical procedures on income streams.  Detailed testing of revenue transactions focusing on the areas of greatest risk.	Analytical procedures were carried out over all income streams and satisfactory responses were provided for all significant variances.  Detailed testing of revenue transactions confirmed these were normal business transactions and had been accounted for in the correct year.  <b>Conclusion: no evidence of fraud over income.</b>
<b>3 Risk of fraud over expenditure</b>  ISA 240 presumes a risk of fraud over income which is expanded to include fraud over expenditure in the public sector by the Code of Audit Practice	Analytical procedures on expenditure streams.  Detailed testing of expenditure transactions focusing on the areas of greatest risk.	Analytical procedures were carried out over all expenditure streams and satisfactory responses were provided for all significant variances.  Detailed testing of expenditure transactions confirmed these were normal business

Audit risk	Assurance procedure	Results and conclusions
The risk of fraud over expenditure applies due to the variety and extent of expenditure incurred by RVJB in delivering services.		transactions and had been accounted for in the correct year.  <b>Conclusion: no evidence of fraud over income.</b>

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

<p><b>4 Financial sustainability</b></p> <p>Financial reports to members highlight uncertainties around future funding and increased pressure on available resources. It is likely future savings will need to be made to achieve a breakeven position and maintain reserves at an appropriate level.</p>	<p>Review of budget monitoring reports during the year and comment on the financial position within the annual audit report.</p>	<p>A review of budget monitoring reports and the financial statements highlight that slightly higher than planned reserves were used in 2017/18. Further use of reserves is also expected in 2018/19. As a result, savings will likely be required in future to ensure services are delivered within budget and to ensure an adequate level of reserves is maintained. A Service Review has been carried out to identify ways in which savings can be delivered going forward.</p> <p><b>Conclusion: RVJB continues to operate in a challenging financial climate, with difficulties in delivering existing services with the current levels of resources. Management continues to review future savings options.</b></p>
<p><b>5 General Data Protection Regulation</b></p> <p>The General Data Protection Regulation (GDPR) becomes enforceable from May 2018. The regulation makes changes to data protection laws and the ways in which entities address data protection compliance. Failure to comply with the regulation can result in significant sanctions.</p> <p>Ensuring compliance with the regulation is resource intensive and will require RVJB to designate a Data Protection Officer (DPO). Work is ongoing to ensure RVJB is prepared for GDPR and has the necessary arrangements in place for the enforcement date.</p>	<p>Attendance at Joint Board meetings and review of Joint Board meeting papers.</p> <p>Discussions with management to monitor and discuss developments.</p>	<p>A solicitor from Renfrewshire Council has been appointed as the DPO. In addition, one of the Divisional Assessors and Assistant Electoral Registration Officers has undertaken training to ensure there is inhouse knowledge on GDPR requirements.</p> <p><b>Conclusion: GDPR has only been enforceable for a short period of time. However, RVJB has been planning for implementation of GDPR over the past year with the support of Renfrewshire Council. Steps have been taken to ensure the statutory requirements of GDPR have been met. Compliance with GDPR will be assessed as part of our audit work over the remainder of the audit engagement.</b></p>

# Renfrewshire Valuation Joint Board

## 2017/18 Annual Audit Report

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**RENFREWSHIRE VALUATION JOINT BOARD**

**To:** Renfrewshire Valuation Joint Board

**On:** 17 August 2018

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**Report by:** The Treasurer

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**Heading:** Audited Annual Accounts 2017-18

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**1. Summary**

- 1.1 At the meeting of the Renfrewshire Valuation Joint Board on 1 June 2018 a report on the unaudited accounts for the year ended 31 March was noted.
- 1.2 Following the introduction of the Local Authority Accounts (Scotland) Regulations 2014 the audited accounts must be approved for signature by the Joint Board no later than 30 September each year. Following this approval the audited accounts will be submitted to The Assessor & Electoral Registration Officer, The Convenor and The Treasurer for signature.

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**2 Recommendations**

- 2.1 It is recommended that members approve the audited accounts for signature.
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# Renfrewshire Valuation Joint Board

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Annual Financial Statements 2017/18



**Renfrewshire Valuation Joint Board  
Annual Accounts 2017/18**

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## **Management Commentary**

### **Introduction**

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

### **History and Statutory Background**

Renfrewshire Valuation Joint Board was established by the Valuation Joint Boards (Scotland) Order 1995 to carry out the valuation functions of Renfrewshire, East Renfrewshire and Inverclyde Councils. The Joint Board came into existence on 1 April 1996 and was also given the responsibility of carrying out Electoral Registration on behalf of the three constituent authorities.

### **Our Aims**

- To ensure that the services we provide are delivered within statutory provisions
- To ensure that equal opportunities and social inclusion are central elements in our planning and delivery of services
- To strive for continuous improvement in the delivery of our services
- To ensure that our service provision reflects the needs and priorities of our stakeholders
- To consult our stakeholders about the way we develop and deliver our services
- To work in partnership with our constituent authorities to achieve improvements in service provision for our mutual customers
- To publish information about the level of services customers can expect to receive
- To develop clear and effective customer suggestion and complaints systems
- To develop & maintain systems for measuring, monitoring and managing our performance
- To develop systems which encourage employees to communicate openly
- To promote a safe and healthy working environment for our employees
- To encourage our employees to develop themselves to achieve their full potential.

### **Service Plan**

The 3 yearly Strategic Service Plan was presented at the June 2018 meeting of the Board. The plan covers the period April 2018 to April 2021.

A copy of Strategic Service Plan can be found at the address below.

<http://renfrewshire.cmis.uk.com/renfrewshire/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2095/Committee/78/Default.aspx>

### **Electoral Registration**

Individual Electoral Registration, which was introduced in 2014-15 is now "business as usual", although it is not without potential for change that may be accompanied by additional costs. There are currently a number of on-going developments to the system. The Cabinet Office had agreed to assist with additional costs associated with this new system for the "life of this parliament".

Following a review of the in-house Electoral Management System (EMS) it has been deemed necessary to purchase an "off the shelf" EMS to help manage risk and ultimately in time deliver cost savings on staff time spent on processing, for example.

## **Renfrewshire Valuation Joint Board Annual Accounts 2017/18**

### **Valuation**

The 2017 Non Domestic Revaluation has taken place and the process has begun in collaboration with the Secretary of the Local Valuation Appeal Committee to cite the 3,800 appeals received against these new 2017 values. The disposal of these appeals will take place over the next two years with all appeals having to be disposed of by December 2020. This is a resource intensive process with strict legislative timetables and at times requires collaboration with other Assessors offices to reach successful outcomes. In addition, legal costs defending the Assessor's stance increase over this period. If the Lands Tribunal or Lands Valuation Appeal Court are required to hear appeals, this dramatically increases the costs for the Assessor. This busy period has been further strained by the Scottish Governments announcement to adopt one of the recommendations from the Barclay review on Non Domestic Rating (published in August 2017) which is to move from a 5 yearly Revaluation cycle to a 3 yearly cycle beginning in 2022. The full impact of this is not fully known at present as legislative changes will be required to facilitate this shift in timetable. In order to prepare for this radical change in the revaluation cycle preparations need to begin this year to allow the recruitment and training of staff in order to successfully implement the new timetable.

The Assessor for Renfrewshire is the "Designated Assessor" for Fixed Line Telecoms throughout Scotland and these Values are entered at the end of the Valuation Roll for the Renfrewshire Council Area. There has always been a close working relationship with the Valuation Office Agency (VOA) for England & Wales as the valuation of telecoms is a UK wide matter. Great benefit and cost savings have been achieved by this collaborative working in the past, however, a further change to the present status quo has been announced by Westminster Parliament in that the next Revaluation for England & Wales will now take place in 2021, a year earlier than previously planned.

The effect of this is to separate our current collaborative working arrangement which will mean the cost of preparing the Telecoms valuations for the 2022 Revaluation in Scotland will significantly increase. The preparation for this change, as with the previously noted change to the Revaluation cycle, needs to commence in the 2018/19 financial year.

Alongside the non-domestic work the Council Tax List has to be maintained with the addition of new houses, deletion of demolished houses and any appeal work which arises throughout the year. This work will require to be absorbed into business as usual for the foreseeable future.

### **Performance**

The performance report for 2017/18 was presented at the Joint Board meeting on the 1<sup>st</sup> June 2018.

The full details of the performance report can be found at the address below.

<http://renfrewshire.cmis.uk.com/renfrewshire/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/2095/Committee/78/Default.aspx>

### **Financial Performance**

#### **Revenue**

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

A summary of the outturn position against the agreed budget is shown below.

The Joint Board has returned a deficit of £125,050 for the financial year 2017/18, compared to a budgeted deficit of £118,600, returning an overspend of £6,450. This overspend excludes accounting adjustments relating to pensions and short-term accumulating compensated absences.

**Renfrewshire Valuation Joint Board  
Annual Accounts 2017/18**

The difference between the employee costs figure below and the figure reported in the Comprehensive Income and Expenditure report is due to accounting adjustments for pension costs (£215,000) and accrued employee benefits (£2,189). The difference between other income in the figure below and the figure reported in the Comprehensive Income and Expenditure report is due to accounting adjustments for pension interest costs (£1,118).

	Budget £	Actual £	Variance £
Employee Costs	1,748,700	1,780,027	(31,327)
Property Costs	217,500	236,214	(18,714)
Payments to Other Bodies	19,700	8,838	10,862
Supplies and Services	81,900	97,145	(15,245)
Contractors & Others	25,000	14,272	10,728
Administrative Costs	279,300	336,002	(56,702)
<b>Total Expenditure</b>	<b>2,372,100</b>	<b>2,472,498</b>	<b>(100,398)</b>
Requisition Income	(2,158,000)	(2,158,000)	-
Sales, Fees and Charges	(5,000)	(24,894)	19,894
Other Income	(90,500)	(164,554)	74,054
<b>Total Income</b>	<b>(2,253,500)</b>	<b>(2,347,448)</b>	<b>93,948</b>
<b>(Surplus)/Deficit for Year</b>	<b>118,600</b>	<b>125,050</b>	<b>(6,450)</b>

The overspend within Employee Costs is due to a low turnover of staff, resulting in turnover targets not being achieved, and also due to overtime required to address workload pressures associated with the General and Local Government Elections in 2017.

The overspend within Property Costs is due to increased insurance costs following the renewals process undertaken. The Board must now secure insurance cover in its own right as opposed to being covered by Renfrewshire Council arrangements.

Due to the General and Local Government Elections and the annual canvass process starting earlier than anticipated, it was not feasible to carry out the School Awareness Campaign which has resulted in the underspend in Payments to Other Bodies.

The overspend within Supplies and Services is due to the purchase of equipment relating to Individual Electoral Registration (IER), however this is offset by an over recovery in Other Income.

Consultation fees in relation to valuation appeals have been lower than anticipated leading to the underspend in Contractors and Others, this is expected to increase next year due to the anticipated increase in appeals from the revaluation exercise.

The overspend within Administration costs is due to the increase in printing and stationery and postages for the revaluation notices for Non Domestic Rates, the electoral registration second reminders and also for the subscription to Westlaw, however this is offset by an over recovery in Sales, Fees and Charges.

The over recovery in Sales, Fees and Charges is due to income received for childcare vouchers, which is offset by expenditure in Employee Costs, and also for the income received for the Westlaw subscription from other Local Authorities and Valuation Joint Boards which is offset by expenditure in Administration costs, as mentioned above.

The Other Income over recovery is due to the increase in Individual Electoral Registration (IER) associated costs, which were funded by the Cabinet Office. The remaining funding received from the Cabinet Office will be required to fund IER costs in 18/19 and was therefore carried forward.

## **Renfrewshire Valuation Joint Board Annual Accounts 2017/18**

### **Capital and Reserves**

The Joint Board does not have the legal powers necessary to hold assets and as such the organisation has no capital spend. Cash balances held by the Joint Board are matched by creditor balances. The largest creditor balance includes the revenue reserve balance of £186,997.

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

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

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

There were no debt write-offs during the year.

### **Net Pension Position**

The disclosure requirements for pension benefits under IAS19 are detailed at Note 16. The appointed actuaries have confirmed a net liability position of £1.951 million, a decrease of £2.804 million in their assessment of the position of the pension fund. This improvement is due to this year's figures being rebased onto the 2017 formal valuation data, as opposed to last year's figures which were based on the 2014 formal valuation. In addition, pay increases and pension increases were considerably less than anticipated over the last few years. The net deficit position of the pension reserve impacts the Joint Board as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

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

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

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

### **Impact of Economic Climate and Future Developments**

The Joint Board recognises the difficult financial climate facing local authorities and has continued to seek efficiencies wherever possible. However, the Joint Board approved a 3% increase in requisition levels for 2018/19 due to investment in key ICT systems, such as document management and electoral management. It is anticipated that over the medium term efficiencies will be generated from these and the Joint Board will continue to pursue further efficiencies and cost reductions.

The employers pension contribution will increase from 19.3% to 20.2% in 2018/19. This is due to the projected future funding position of the Joint Board based on the current and retired membership. In order to meet future liabilities, the actuaries have deemed that an increase of 0.9% is required.

The Barclay Review will have an impact on future resources when the recommendation is implemented to carry out Non Domestic Rates revaluations every 3 years instead of every 5 years. In addition to the reduction in the Revaluation timescale, this would subsequently reduce the appeals process deadline which is already a resource intensive process with strict legislative timetables.

The 2018/19 budget for the Joint Board assumed that income would be generated from sub-letting surplus office space within the Robertson Centre. This proposal has been agreed in principle and will be carefully monitored 2018/19.



**Renfrewshire Valuation Joint Board  
Annual Accounts 2017/18**

**Conclusion**

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

**Councillor Audrey Doig**

Convenor  
17 August 2018

**Alan Russell CPFA**

Treasurer  
17 August 2018

**Kate Crawford**

Assessor and Electoral Registration Officer  
17 August 2018

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

### **The Joint Board's Responsibilities**

The Joint Board is required:

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

I confirm that these Annual Accounts were approved for signature by the Joint Board at its meeting on the 17 August 2018.

Signed on behalf of Renfrewshire Valuation Joint Board:

**Councillor Audrey Doig**

Convenor  
17 August 2018

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

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

In preparing this statement of accounts, the Treasurer has:

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

I certify that the financial statements give a true and fair view of the financial position of the Joint Board at the reporting date and the transactions of the Joint Board for the year ended 31 March 2018.

**Alan Russell CPFA**

Treasurer  
17 August 2018

## **Governance Statement**

### **Scope of Responsibility**

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

### **The Board's Governance Framework**

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

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

The main features of our governance arrangements are summarised below:

- Clearly defined Standing Orders, Scheme of Delegation, Financial Regulations and Tender Procedures,
- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve our corporate objectives,
- Regular public performance reporting,
- Business continuity planning arrangements are in place and regularly reviewed,
- Policies to regulate employee related matters, including the employee code of conduct and disciplinary procedures,
- Arrangements to manage risk, including the risk management strategy and Corporate Risk Register and business continuity plans,
- Clear customer complaints procedures,
- Comprehensive policies and procedures for physical and information security. An anti-fraud and corruption strategy and arrangements supported by a range of policies and guidelines,
- A register of interest is in place and updated on an annual basis
- Internal governance review arrangements including a programme of policy and procedure reviews and a governance working group.

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.

## **Renfrewshire Valuation Joint Board Annual Accounts 2017/18**

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

### **Review of Effectiveness**

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

The effectiveness of the governance framework is reviewed annually by the Assessor and Electoral Registration Officer, including the use of a self-assessment tool involving completion of a 30 point checklist covering four key areas of governance:

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

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

The Scheme of Delegation and the Financial Regulations are currently under review and it is expected that they will be submitted to Board for approval in the Summer of 2018.

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

### **Statement on the Role of Chief Financial Officer**

CIPFA published this statement in 2010 and under the Code, the Joint Board is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact. The full statement is:

The Chief Financial Officer in a public service organisation:

- is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy; and
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- must lead and direct a finance function that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

The Joint Board complies with the principles set out in CIPFA's Role of the Chief Financial Officer.

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**Assurance**

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

**Councillor Audrey Doig**  
Convenor

**Kate Crawford**  
Assessor and Electoral Registration Officer

## Remuneration report

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

### 1. Remuneration policy for elected members

As noted by the Board on the 17<sup>th</sup> May 2013, from the 1<sup>st</sup> April 2013 the Joint Board makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

### 2. Remuneration policy for senior employees

The Remuneration Policy of the Joint Board is set in reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The SJNC advised that it would be a matter for each Council to examine the position of other chief officials. It was agreed at the Joint Board of 24<sup>th</sup> January, 1997 that the salary of the posts of Assessor and Electoral Registration Officer and the deputy be set at a percentage of the Chief Executive of Renfrewshire Council, which is currently 67% and 50% respectively. Following a review of Chief Executives' salaries in 2001, it was agreed that this arrangement should continue. These arrangements were agreed through approval of the Salaries of the Assessor and Electoral Registration Officer and Deputy Assessor and Electoral Registration Officer report at a meeting of the Joint Board on 22<sup>nd</sup> November, 2002.

2016/17	Senior Employees		2017/18
Total Salary, fees and allowances	Name	Post Held	Total Salary, fees and allowances
£			£
93,269	Alasdair MacTaggart (i)	Assessor & Electoral Registration Officer	14,082
69,920	Kate Crawford	Depute Assessor & Electoral Registration Officer	10,663
-	Kate Crawford (ii)	Assessor & Electoral Registration Officer	80,404
<b>163,189</b>	<b>Total</b>		<b>105,149</b>

Notes

(i) Alasdair MacTaggart retired on the 25<sup>th</sup> May 2017

(ii) Kate Crawford was Depute Assessor & Electoral Registration Officer until 25<sup>th</sup> May 2017 then Assessor & Electoral Registration officer from 26<sup>th</sup> May 2017.

### 3. Pension rights

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

From 1<sup>st</sup> April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age for each member.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality

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between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non manual employees.

<b>2016/17</b>	Member contribution rates on earnings in the bands below	<b>2017/18</b>
Up to £20,500	5.5%	Up to £20,700
£20,501 to £25,000	7.25%	£20,701 to £25,300
£25,001 to £34,400	8.5%	£25,301 to £34,00
£34,401 to £45,800	9.5%	£34,701 to £46,300
Over £45,801	12%	Over £46,301

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

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of 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.

<b>Senior Employees</b>		Accrued Pension benefits as at 31 March 2018		Change in accrued pension benefits since 31 March 2017		Pension contributions made by RVJB during 2017-2018
Name	Post Held	Pension £m	Lump Sum £m	Pension £m	Lump Sum £m	
Alasdair MacTaggart *	Assessor & Electoral Registration Officer	0.043	0.288	-0.008	+0.174	2,712
Kate Crawford	Depute Assessor & Electoral Registration Officer	-	-	-	-	-
<b>Total</b>		<b>0.043</b>	<b>0.288</b>	<b>-0.008</b>	<b>+0.174</b>	<b>2,712</b>

\*Alasdair MacTaggart retired on the 25<sup>th</sup> May 2017

No pension contributions are made for the Joint Board Convener or Vice Convener

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**4. Remuneration of Employees**

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2017/18, in bands of £5,000.

<b>2016/17</b>	<b>Remuneration Band</b>	<b>2017/18</b>
<b>Number of employees</b>		<b>Number of employees</b>
1	£50,000 - £54,999	1
-	£55,000 - 59,999	-
-	£60,000 - £64,999	-
1	£65,000 - 69,999	-
-	£70,000 - £74,999	-
-	£75,000 - £79,999	-
-	£80,000 - £84,999	-
-	£85,000 - £89,999	-
1	£90,000 - £94,999	1
-	£95,000 - £99,999	-
<hr/>		<hr/>
3		2

**5. Exit Packages**

Renfrewshire Valuation Joint Board agreed no exit packages in 2017-18.

**Councillor Audrey Doig**  
Convenor

**Kate Crawford**  
Assessor and Electoral Registration Officer



## **Independent Auditors Report**

### **Annual Accounts 2017-18**

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

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of Renfrewshire Valuation Joint Board for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement 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 2017/18 (the 2017/18 Code).

#### **In my opinion the accompanying financial statements:**

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the body as at 31 March 2018 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 2017/18 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 of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). 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 am independent of the body 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. 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Responsibilities of the Treasurer for the financial statements**

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

In preparing the financial statements, the Treasurer is responsible for assessing the body'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 Board is responsible for overseeing the financial reporting process.

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

My objectives are to achieve 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.

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

### **Other information in the annual accounts**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Report on other requirements**

#### **Opinions on matters prescribed by the Accounts Commission**

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

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 Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report

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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 auditable 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; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Mark Ferris

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

August 2018

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## **Movement in Reserves Statement for the year ended 31 March 2018**

This statement shows the movement in the year on the different reserves held by the Joint Board, 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 Board's services, more details of which are shown in the **comprehensive income and expenditure statement**.

		Usable reserves		Unusable reserves	
		Revenue Reserve	Pension Reserve	Employee Statutory Adjustment Account	Total Reserves
	Note	£	£	£	£
<b>Balance at 31 March 2016 carried forward</b>		-	(2,786,000)	(37,972)	(2,823,972)
<i>Movement in reserves during 2016-17</i>					
Surplus or (deficit) on the provision of services	7a	(352,019)			(352,019)
Other comprehensive income and expenditure	7b		(1,774,000)		(1,774,000)
<b>Total comprehensive income and expenditure</b>		<b>(352,019)</b>	<b>(1,774,000)</b>	<b>-</b>	<b>(2,126,019)</b>
Adjustments between accounting basis and funding basis under regulations	7a & 7b	197,363	(195,000)	(2,363)	-
Transfer from Creditors	7a	466,704			466,704
<b>Net increase or (decrease) before transfers to other statutory reserves</b>		<b>312,047</b>	<b>(1,969,000)</b>	<b>(2,363)</b>	<b>(1,659,316)</b>
Transfers to or (from) other statutory reserves		-	-	-	-
Transfer to creditors	13	(312,047)	-	-	(312,047)
<b>Increase or (decrease) in 2016-17</b>		<b>-</b>	<b>(1,969,000)</b>	<b>(2,363)</b>	<b>(1,971,363)</b>
<b>Balance at 31 March 2017 carried forward</b>		<b>-</b>	<b>(4,755,000)</b>	<b>(40,335)</b>	<b>(4,795,335)</b>
<i>Movement in reserves during 2017-18</i>					
Surplus or (deficit) on the provision of services	7a	(469,239)			(469,239)
Other comprehensive income and expenditure	7b		3,146,000		3,146,000
<b>Total comprehensive income and expenditure</b>		<b>(469,239)</b>	<b>3,146,000</b>	<b>-</b>	<b>2,676,761</b>
Adjustments between accounting basis and funding basis under regulations	7a & 7b	344,189	(342,000)	(2,189)	-
Transfer from Creditors	7a	312,047			312,047
<b>Net increase or (decrease) before transfers to other statutory reserves</b>		<b>186,997</b>	<b>2,804,000</b>	<b>(2,189)</b>	<b>2,988,808</b>
Transfers to or (from) other statutory reserves					-
Transfer to creditors	13	(186,997)			(186,997)
<b>Increase or (decrease) in 2017-18</b>		<b>-</b>	<b>2,804,000</b>	<b>(2,189)</b>	<b>2,801,811</b>
<b>Balance at 31 March 2018 carried forward</b>		<b>-</b>	<b>(1,951,000)</b>	<b>(42,524)</b>	<b>(1,993,524)</b>

## **Comprehensive Income and Expenditure Statement for the year ended 31 March 2018**

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

<b>2016/17</b>			<b>2017/18</b>
£		Note	£
1,944,280	Employee Costs		1,997,216
245,026	Property Costs		236,214
83,510	Supplies & Services		97,145
10,836	Contractors		14,272
343,590	Administration Costs		336,002
8,790	Payments to Other Bodies		8,838
<b>2,636,032</b>	<b>Cost of Services</b>		<b>2,689,687</b>
(33,458)	Sales, Fees & Charges		(24,894)
(135,394)	Other Income		(163,436)
98,139	Financing & Investment Income and Expenditure	9	125,882
(2,213,300)	Requisitions from Members Authorities	14	(2,158,000)
<b>352,019</b>	<b>(Surplus) or deficit on the provision of services</b>		<b>469,239</b>
1,774,000	Actuarial (Gains) or losses on pension assets and liabilities	16a	(3,146,000)
<b>1,774,000</b>	<b>Other Comprehensive Income &amp; Expenditure</b>		<b>(3,146,000)</b>
<b>2,126,019</b>	<b>Total Comprehensive Income &amp; Expenditure</b>		<b>(2,676,761)</b>

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**Balance Sheet as at 31 March 2018**

The **balance sheet** shows the value as at 31 March 2018 of the assets and liabilities recognised by the Joint Board. The net assets of the Joint Board (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Board is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

2016/17		Note	2017/18
£			£
	<b><u>Current Assets</u></b>		
453,043	Funds held by Renfrewshire Council		362,405
34,375	Debtors and Prepayments	11	33,824
100	Cash in Hand		100
<hr/> 487,518			<hr/> 396,329
	<b><u>less Current Liabilities</u></b>		
(527,853)	Creditors And Accruals	12	(438,853)
<hr/> (40,335)	<b>Net (Liabilities)/Asset Excluding Pension</b>		<hr/> (42,524)
	<b><u>Long Term Liabilities</u></b>		
(4,755,000)	Pension (liability)/Asset	16c	(1,951,000)
<hr/> (4,795,335)	<b>Net (Liabilities)/Asset Including Pension</b>		<hr/> (1,993,524)
	<b><u>Represented by:</u></b>		
	<b>Revenue Reserves:</b>		
	<b>Useable Reserves</b>		
312,047	Balance due to Member Authorities		186,997
(312,047)	Transfer to Creditors	13	(186,997)
	<b>Unuseable Reserves</b>		
(40,335)	Employee Statutory Adjustment Account	7c	(42,524)
(4,755,000)	Pension Reserve	7b	(1,951,000)
<hr/> (4,795,335)			<hr/> (1,993,524)

The audited accounts were authorised for issue on 17 August 2018.  
Balance sheet signed by:

**Alan Russell CPFA**  
Treasurer  
17 August 2018

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**Cash flow Statement for the year ended 31 March 2018**

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

<b>2016/17</b>		<b>2017/18</b>
<b>£</b>		<b>£</b>
	<b>Operating Activities</b>	
	<b>Cash Inflows</b>	
(2,440,443)	Sale of goods and rendering of services	(2,369,598)
(1,861)	Interest received	(1,118)
<b>(2,442,304)</b>	<b>Cash inflows generated from operating activities</b>	<b>(2,370,716)</b>
	<b>Cash Outflows</b>	
1,630,925	Cash paid to and on behalf of employees	1,505,222
644,373	Cash paid to suppliers of goods and services	683,460
350,240	Other payments for operating activities	272,672
<b>2,625,538</b>	<b>Cash outflows generated from operating activities</b>	<b>2,461,354</b>
<b>183,233</b>	<b>Net (increase)/decrease in cash and cash equivalents</b>	<b>90,638</b>
636,377	Cash and cash equivalents at the beginning of the reporting period - short term deposits with Renfrewshire Council	453,143
453,143	Cash and cash equivalents at the end of the reporting period - short term deposits with Renfrewshire Council	362,505
<b>183,234</b>	<b>Net cash (inflow)/outflow in cash and cash equivalents in year</b>	<b>90,638</b>

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**Note 1 Expenditure Funding Analysis for the year ended 31 March 2018**

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

<b>2017/18</b>	<b>(Surplus)/Deficit for Year</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting basis</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 31st March 2018	6,450			6,450
Approved draw on reserves	118,600			118,600
Employee Statutory Adjustment		2,189		2,189
Pension Cost			215,000	215,000
Pension Interest			127,000	127,000
<b>(Surplus) or deficit on the provision of service</b>				<b>469,239</b>

<b>2016/17</b>	<b>(Surplus)/Deficit for Year</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting basis</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 31st March 2017	45,157			45,157
Approved draw on reserves	109,500			109,500
Employee Statutory Adjustment		2,362		2,362
Pension Cost			95,000	95,000
Pension Interest			100,000	100,000
<b>(Surplus) or deficit on the provision of service</b>				<b>352,019</b>



## **Note 2 Summary of Significant Accounting Policies**

The Financial Statements for the year ended 31 March 2018 have been prepared in accordance with proper accounting practice as per section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice for Local Authorities 2017/18, (SeRCOP) supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Joint Board and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

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

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

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

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

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

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

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

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

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

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

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

- i. Revenue from the sale of goods is recognised when the Joint Board transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Board.
- ii. Revenue from the provision of services is recognised when the Joint Board can measure reliably the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Board.
- iii. Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

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- iv. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- v. Suppliers invoices paid in the two weeks following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

### **Cash and Cash Equivalents**

Cash is defined as cash in hand and deposits repayable on demand less overdrafts repayable on demand.

### **Contingent Assets and Liabilities**

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

### **Employee Benefits**

#### Benefits payable during employment

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

#### Post employment benefits

The Joint Board 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 Board 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 giving will be many years into the future.

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

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

Note 16 to the Core Financial Statements provides further information.

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

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

There are two types of events:

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

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 6 provides further information.

### **Prior Period Adjustment**

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

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

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

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

Amounts recognised as due to the Joint Board are not credited to the Comprehensive Income and Expenditure Account 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.

### **Leases**

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

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

#### *Operating Leases*

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg, there is a rent-free period at the commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

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**Property, Plant and Equipment**

Renfrewshire Valuation Joint Board is a Joint Board as constituted under s106(1) of the Local Government (Scotland) Act 1973. The Joint Board has no legal power to hold assets. Any cash assets held are matched by an equivalent creditor balance.

**Reserves**

The Joint Board has three reserve funds. The Revenue Reserve contains any balance of requisition income from members of the Joint Board.

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

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

**VAT**

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

**Note 3 Accounting Standards Issued not Adopted**

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

**Note 4 Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 2, the Joint Board has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect is detailed below.

Leases	An analysis of the terms of the lease for the Robertson Centre has concluded it is an operating leases.
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## **Note 5 Assumptions made about the future**

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

The items in the Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Results differ from Assumption</b>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Board 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 £1.676 million. However, the assumptions interact in complex ways. During 2017/18, the appointed actuaries advised that the net pensions liability had decreased by £3.146 million attributable to updating of the assumptions.

## **Note 6 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 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non adjusting events.

## **Note 7 Details of Movement in Reserves**

### **a. Revenue Reserve**

<b>2016/17</b>		<b>2017/18</b>
£		£
(466,704)	Balance as at 1 April	(312,047)
(195,000)	Transfer to pension reserve	(342,000)
(2,363)	Transfer to employee statutory adjustment account	(2,189)
352,019	(Surplus) or Deficit on provision of services (from the Comprehensive Income & Expenditure Account)	469,239
<b>(312,047)</b>	<b>Balance as at 31 March</b>	<b>(186,997)</b>

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**b. Pension Reserve**

2016/17		2017/18
£		£
(2,786,000)	Balance as at 1 April	(4,755,000)
(1,774,000)	Actuarial Gains and Losses (see note 16)	3,146,000
(195,000)	Net additional amount required by statute and non-statutory proper practices to be taken into account when determining the surplus or deficit on the revenue reserves for the year	(342,000)
<b><u>(4,755,000)</u></b>	<b>Balance as at 31 March</b>	<b><u>(1,951,000)</u></b>

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Board accounts for post-employment benefits in the **comprehensive income and expenditure statement** as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Board makes employer's contributions to pension funds. The debit balance on the Pension Reserve shows a significant shortfall in the benefits earned by past and current employees and the Joint Board's share of Strathclyde Pension Fund resources available to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

**c. Employee Statutory Adjustment Account**

2016/17		2017/18
£		£
(37,972)	Balance as at 1 April	(40,335)
37,972	Reversal of prior year accrual for short-term accumulating compensated absences	40,335
(40,335)	Recognition of the accrual for short-term accumulating compensating absences at 31 March	(42,524)
<b><u>(40,335)</u></b>	<b>Balance as at 31 March</b>	<b><u>(42,524)</u></b>

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

## **Note 8 Reconciliation of the Balance on the Comprehensive Income and Expenditure Statement to the Movement in Reserves Statement**

The deficit for the year on the Revenue Reserves was £344,189 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 Board's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Board to debit and credit the Revenue Reserve Balance.

<b>2016/17</b>		<b>2017/18</b>
£		£
	<b>Amounts to be included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining Movement in Reserves Statement</b>	
(437,000)	Net charges made for retirement benefits in accordance with IAS19	(572,000)
(2,363)	Net charges for employment short-term accumulating absences	(2,189)
<u>(439,363)</u>		<u>(574,189)</u>
	<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required to be included by statute when determining Movement in Reserves Statement</b>	
<u>242,000</u>	Employers contributions payable to the Strathclyde Pension Fund	<u>230,000</u>
<u>(197,363)</u>	<b>Net additional amount required to be debited or credited to the Revenue Reserves balance for the year</b>	<u>(344,189)</u>

## **Note 9 Financing & Investment Income**

<b>2016/17</b>		<b>2017/18</b>
£		£
(1,861)	Interest on Balances	(1,118)
100,000	Pension Interest Cost	127,000
<u>98,139</u>	<b>Total Financing and Investment Income</b>	<u>125,882</u>

## **Note 10 Operating Leases**

The Joint Board has acquired office accommodation at the Robertson Centre in Paisley by entering into an operating lease which ends in 2024. The expenditure charged in year to the Comprehensive Income and Expenditure Statement was £55,000 (2016/17 £55,000).

<b>2016/17</b>		<b>2017/18</b>
£		£
	<b>Future Minimum Lease Payments</b>	
55,000	- not later than one year	55,000
220,000	- later than one year and not later than five years	220,000
110,000	- later than five years	55,000
<u>385,000</u>	<b>Total</b>	<u>330,000</u>

**Renfrewshire Valuation Joint Board  
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**Note 11 Debtors**

2016/17 £		2017/18 £
-	Other local authorities	-
34,375	Other Entities and Individuals	33,824
<b><u>34,375</u></b>	<b>Total short term debtors</b>	<b><u>33,824</u></b>

**Note 12 Creditors**

2016/17 £		2017/18 £
312,047	Other local authorities	186,997
40,335	Short Term Accumulating Absences	42,524
110,315	Accrued Payrolls	103,980
65,156	Other entities and individuals	105,352
<b><u>527,853</u></b>	<b>Total short term creditors</b>	<b><u>438,853</u></b>

**Note 13 Transfer to Creditors**

2016/17 £		2017/18 £
<b><u>312,047</u></b>	In terms of Section 58 of the Local Government (Scotland) Act 1973, Joint Boards have no specific powers to retain reserves to meet future funding requirements and the amount due to member authorities has been transferred to creditors.	<b><u>186,997</u></b>

**Note 14 Related parties**

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

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



**Renfrewshire Valuation Joint Board  
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2016/17			2017/18
£	Council	Percentage	£
455,900	East Renfrewshire	20.6%	444,600
515,700	Inverclyde	23.3%	502,800
1,241,700	Renfrewshire	56.1%	1,210,600
<b>2,213,300</b>	<b>Total</b>	<b>100.0%</b>	<b>2,158,000</b>

The Joint Board in turn pays Renfrewshire Council for support services. The amount paid in respect of these services for the year ended 31 March 2018 was £86,679 (2016/17 £86,679).

## **Note 15 External audit costs**

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's *Code of Audit Practice* in 2017-2018 were £7,080 (£6,970 in 2016/17). There were no fees paid to Audit Scotland in respect of any other services.

## **Note 16 Retirement Benefits**

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

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

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

**Renfrewshire Valuation Joint Board  
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The following transactions have been made in the accounting statements in 2017/18:

2016/17 £		Note	2017/18 £
<b>Comprehensive Income &amp; Expenditure Statement</b>			
Cost of Services			
337,000	Current service cost	(i)	445,000
-	Past service cost/(gain)		-
-	Settlements & curtailments	(ii)	-
<u>337,000</u>			<u>445,000</u>
<b>Financing &amp; Investment Income &amp; Expenditure</b>			
100,000	Net Interest	(iii)	127,000
<u>437,000</u>	<b>Total Post-employment Benefits charged to the Surplus or Defecit on the Provision of Services</b>		<u>572,000</u>
<b>Other post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>			
(2,191,000)	Return on assets excluding amounts included in net interest		(1,264,000)
3,901,000	Actuarial (gains) and losses arising on changes in financial/demographic assumptions		(857,000)
64,000	Other (gains) and losses		(1,025,000)
<u>1,774,000</u>	<b>Total Actuarial (gain)/Losses</b>		<u>(3,146,000)</u>
<b>2,211,000</b>	<b>Total post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		<b>(2,574,000)</b>
Movement in Reserves Statement			
	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	(iv)	
1,969,000			(2,804,000)
<u>242,000</u>	<b>Employers Contributions paid to Strathclyde Pension Fund</b>		<u>230,000</u>

Notes

- i. Current service cost is the cost of future entitlements to pension payments to current employees
- ii. Curtailments are the pension costs to employees retired under redundancy terms.
- iii. The net Interest is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of the Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- iv. The Movement on Pension Reserve represents the net change in the pension liability recognised in the Movement in Reserves Statement for pension payments made by the Joint Board to the Strathclyde Pension Fund during the year (£342,000).

**Renfrewshire Valuation Joint Board  
Annual Accounts 2017/18**

The Joint Board is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2017/18 these amounted to £4,210 (2016/17 £4,481). In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial gains of £3.146 million are included in the Movement in Reserves Statement (2016/17 £1.774 million loss). The cumulative amount of actuarial losses is £1.577 million (2016/17 £4.723 million).

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

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

<b>2016/17</b>		<b>2017/18</b>
<b>£000</b>		<b>£000</b>
13,879	Opening present value	18,456
337	Current service cost	445
488	Interest Cost	482
83	Employee Contributions	76
	Remeasurement (gains)/losses:	
3,965	Actuarial (gains)/losses arising from changes in financial/demographic assumptions	(1,882)
(2)	Unfunded benefits paid	(2)
(294)	Benefits Paid	(355)
<b>18,456</b>	<b>Closing present value of scheme liabilities</b>	<b>17,220</b>

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

<b>2016/17</b>		<b>2017/18</b>
<b>£000</b>		<b>£000</b>
11,093	Opening Fair Value	13,701
388	Interest Income	355
	Remeasurement gain/(loss):	
2,191	Return on assets excluding amounts included in net interest	1,264
240	Contributions from employer	228
83	Contributions from employee	76
2	Contributions in respect of unfunded benefits	2
(2)	Unfunded benefits paid	(2)
(294)	Benefits Paid	(355)
<b>13,701</b>	<b>Closing fair value of scheme assets</b>	<b>15,269</b>

**Renfrewshire Valuation Joint Board  
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**16c. Fund history**

	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000
Present Value of Liabilities	(12,298)	(14,799)	(13,879)	(18,456)	(17,220)
Fair value of assets	9,855	10,833	11,093	13,701	15,269
<b>Surplus/(deficit) in the scheme</b>	<b>(2,443)</b>	<b>(3,966)</b>	<b>(2,786)</b>	<b>(4,755)</b>	<b>(1,951)</b>

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

The total liability of £1.951 million has a substantial impact on the net worth of the Joint Board as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Joint Board remains assured. The deficit on the Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2019 is £0.238 million.

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

The Joint Board's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of Actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2017.

The principal assumptions used by the actuary have been:

2016/17	Financial Year:	2017/18
<b>Mortality assumptions</b>		
	Longevity at 65 for current pensioners	
22.1 years	• Men	21.4 years
23.6 years	• Women	23.7 years
	Longevity at 65 for Future pensioners	
24.8 years	• Men	23.4 years
26.2 years	• Women	25.8 years
4.4%	Rate of increase in salaries	3.6%
2.4%	Rate of increase in pensions	2.4%
2.6%	Rate for discounting scheme liabilities	2.7%
	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%

**Renfrewshire Valuation Joint Board  
Annual Accounts 2017/18**

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

2016/17			2017/18
£000		Percentage	£000
	<b>Equity Securities</b>		
1,296	Consumer	0.0%	-
1,029	Manufacturing	0.0%	-
407	Energy and Utilities	0.0%	-
954	Financial Institutions	0.0%	-
557	Health and Care	0.0%	-
788	Information Technology	0.0%	-
-	Other	28.7%	4,385
<b>5,031</b>	<b>Total Equity</b>	<b>28.7%</b>	<b>4,385</b>
	<b>Private Equity</b>		
1,130	All	8.9%	1,353
<b>1,130</b>	<b>Total Private Equity</b>	<b>8.9%</b>	<b>1,353</b>
	<b>Real Estate</b>		
1,653	UK Property	11.8%	1,809
-	Overseas Property	0.0%	-
<b>1,653</b>	<b>Total Real Estate</b>	<b>11.8%</b>	<b>1,809</b>
	<b>Investment Funds &amp; Unit Trusts</b>		
4,406	Equities	31.8%	4,855
769	Bonds	10.4%	1,596
9	Commodities	0.0%	-
-	Infrastructure	0.0%	-
186	Other	5.1%	781
<b>5,370</b>	<b>Total Investment Funds &amp; Unit Trusts</b>	<b>47.4%</b>	<b>7,232</b>
	<b>Derivatives</b>		
-	Inflation	0.0%	-
-	Interest Rate	0.0%	-
2	Foreign Exchange	0.0%	-
-1	Other	0.0%	6
<b>1</b>	<b>Total Derivatives</b>	<b>0.0%</b>	<b>6</b>
	<b>Cash &amp; Cash Equivalents</b>		
516	All	3.2%	484
<b>516</b>	<b>Total Cash &amp; Cash Equivalents</b>	<b>3.2%</b>	<b>484</b>
<b>13,701</b>	<b>Total</b>	<b>100%</b>	<b>15,269</b>

**16e. Impact on cashflows**

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. The rate for employer contributions has been set at 19.3% for 2017-18 and 20.2% in 2018-19.

**Note 17 Contingent Liabilities and Assets**

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



## RENFREWSHIRE VALUATION JOINT BOARD

**To:** Renfrewshire Valuation Joint Board

**On:** 17 August 2018

**Report by:** The Treasurer

**Heading:** Revenue Budget Monitoring Report to 20<sup>th</sup> July 2018

### 1. Summary

- 1.1 Gross expenditure is £4,000 under budget and income is currently £2,000 over recovered resulting in a net underspend of £6,000. This is summarised in point 4.

### 2 Recommendations

- 2.1 It is recommended that members consider the report.

### 3 Budget Adjustments Since Last Report

- 3.1 There have been no budget adjustments since the start of the financial year.

### 4 Budget Performance

<b>4.1 Current Position</b>	<b>Net Underspend £6,000</b>
<i>Previously Reported</i>	<i>n/a</i>

The underspend relates to Employee Costs as the 2018/19 pay award has yet to be agreed.

### **Projected Year End Position**

The projected year end position is a deficit of £8,000, resulting in a draw on reserves of £74,700, compared to a budgeted draw on reserves of £66,700.

This is the result of an increase in superannuation contributions and a recharge of salary costs from Renfrewshire Council for legal expertise, as a result of GDPR.

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2018/19**  
**1st April 2018 To 20th July 2018**

**JOINT BOARD : RENFREWSHIRE VALUATION JOINT BOARD**

Description (1)	Revised Annual Budget (2)	Revised Period Budget (3)	Actual (4)	Adjustments (5)	Revised Actual (6) = (4 + 5)	Budget Variance		
	£000's	£000's	£000's	£000's	£000's	£000's	(7)	%
Employee Costs	1,762	429	390	31	421	8	1.9%	underspend
Property Costs	238	55	51	5	56	(1)	-1.8%	overspend
Supplies & Services	91	31	47	(13)	34	(3)	-9.7%	overspend
Contractors and Others	25	5	4	1	5	0	0.0%	breakeven
Transport & Plant Costs	0	0	0	0	0	0	0.0%	breakeven
Administration Costs	259	66	91	(25)	66	0	0.0%	breakeven
Payments to Other Bodies	20	3	(2)	5	3	0	0.0%	breakeven
<b>GROSS EXPENDITURE</b>	<b>2,395</b>	<b>589</b>	<b>581</b>	<b>4</b>	<b>585</b>	<b>4</b>	<b>0.7%</b>	<b>underspend</b>
Contributions from Local Authorities	(2,313)	0	0	0	0	0	0.0%	breakeven
Other Income	(16)	(6)	(83)	75	(8)	2	33.3%	over-recovery
<b>INCOME</b>	<b>(2,329)</b>	<b>(6)</b>	<b>(83)</b>	<b>75</b>	<b>(8)</b>	<b>2</b>	<b>33.3%</b>	<b>over-recovery</b>
<b>TRANSFER (TO)/FROM RESERVES</b>	<b>66</b>	<b>583</b>	<b>498</b>	<b>79</b>	<b>577</b>	<b>6</b>	<b>1.0%</b>	<b>underspend</b>

Bottom Line Position to 20th July 2018 is an underspend of	£000's	1.0%	Opening Reserves	£000's
Anticipated Year End Budget Position is an overspend of	6	-12.1%	Anticipated Closing Reserves	(187)
				(113)





# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 17 August 2018

**Subject:** Annual Canvass / Electoral Registration Update

**Author:** Assessor & Electoral Registration Officer

## 1.0 Introduction

This report is to provide members with information on the Annual Canvass for 2018, and an update on the tendering for both an Electoral Management System and the Print and Scan Services.

## 2.0 Annual Canvass

### 2.1 Issue of Household Enquiry Forms (HEF's)

Household Enquiry Forms (HEF) were posted to all properties in the Valuation Joint Board area on Wednesday 27 June. These forms invite those at each property to complete and return the HEF either online, by telephone, text or post. Any changes notified will result in the issue of an Invitation to Register (ITR). An ITR can be completed online using the Governments Digital Service, by post or over the telephone.

On Friday 27 July 1<sup>st</sup> Reminders were posted to all properties who failed to return the main HEF. The table below contains a summary of the main and reminder mailings.

Council Area	Main HEF Issue	HEF 1 <sup>st</sup> Reminder Issue	%
Renfrewshire	84,163	41,635	50%
East Renfrewshire	38,327	16,918	44%
Inverclyde	37,964	18,561	49%
Total	160,454	77,114	48%

As a result of new legislation allowing an elector to tick the box on their ITR to indicate that they are the only person living at their address, there was no requirement to issue HEF's to the following properties. This provided a saving of over £5000 in printing costs, postage costs and follow up door knocks costs to properties who failed to return their HEF.

Council Area	Sole Occupier	%
Renfrewshire	2,133	2.5%
East Renfrewshire	536	1.4%
Inverclyde	943	2.5%
Total	3,612	2.3%

## **2.2 Door-to-Door Canvass:**

If there is no response to the initial or first reminder HEF a canvasser will visit the property during September to November in an attempt to obtain a completed HEF at the door. We have employed a number of additional canvassers in an effort to door knock all those households who have not responded before the cut-off date for publication of the Register on the 1st December.

## **2.3 Local Secondary Checks:**

Under the legislation in force, local data held by Councils and other bodies including Council Tax Billing records and lists of social/private tenancies cannot be used for this canvass. This continues to add to the complexity and cost of the canvass, however there are ongoing discussions with government around making changes to the canvass procedures. These changes are looking to make the process more efficient both in terms of cost and engagement with electors. I will report to the Board on any progress made on bringing these changes into force at the earliest opportunity.

## **3.0 Polling District Review**

The Returning Officers have been asked for receipt of any Polling District changes by early November where possible however, they have confirmed that this will all depend on their consultation process and Committee dates. Completing the review in time for publication of the revised register on 1 December 2018 means that any changes can be reflected in it, and that no subsequent alterations to the structure of an already published register will need to be made, thus avoiding the potential need to publish a further revised register. If the register does require to be republished it will involve a full redistribution to all parties entitled to receive the register both on publication and on request which leads to a very time-consuming exercise. Hopefully, we will be fortunate and RO's will be able to deliver changes to us in time for 1<sup>st</sup> December publication.

## **4.0 Procurement**

Invitation to tender on behalf of the Board by Renfrewshire Council's Procurement Team (CPU) for an Electoral Management System (EMS) will be issued as soon as the tender document has been completed.

The tender for the provision of all Print and Scan Services will now be issued later in the year due to the work associated with revision of the Tender Template as a result of GDPR. In the meantime, the CPU will prepare a Negotiated Contract with the current provider Adare for the period 16 September 2018 – 1 December 2018.

## **5.0 The Next Year**

There are no scheduled elections for next year at present. However, we need to be prepared should a snap election or by election be called at short notice.

## **General Conclusions**

I would like to take this opportunity to thank the staff for their continuing hard work and diligence in dealing efficiently with the management of the Annual Canvass and associated tasks.

## **Recommendations**

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

Kate A Crawford - 17 August 2018

For further information please contact Kate Crawford on 0141-618-5903  
Or via e-mail at [kate.crawford@renfrewshire-vjb.gov.uk](mailto:kate.crawford@renfrewshire-vjb.gov.uk)





# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 17<sup>th</sup> August 2018

**Subject:** Non-Domestic Appeals

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

## Introduction

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

### 1. Background

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

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

### 2. Right of Appeal

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

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

These appeals must be disposed of within time limits prescribed in a Timetable Order. This currently states by the end of the third year following the revaluation; in this case, 31<sup>st</sup> December 2020.

### 3. Negotiation of Appeals

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

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

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

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

In the case of highly complex appeals, either party has the right to request that the appeal is referred to the Lands Tribunal for Scotland. Referral is not undertaken lightly as it involves a considerable amount of preparatory work by several members of staff and may involve several days of examination, cross-examination and submissions in front of a High Court Judge and a Lay Expert.

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

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

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

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

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

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

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

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



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

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

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

All the Revaluation appeals MUST be cited for a local Valuation Appeal Committee hearing by 31<sup>st</sup> December 2020.

The disposal of the Revaluation appeals began with the first local Valuation Appeal Committee hearing on 10<sup>th</sup> May 2018 followed by hearings on 31<sup>st</sup> May & 21<sup>st</sup> June. These hearings dealt with appeals in relation to retail type subjects. A case did proceed on the 10<sup>th</sup> May hearing in relation to a retail unit within Braehead Shopping Centre. I am pleased to report that the appeal was successfully defended and the value applied was upheld by the Valuation Appeal Committee.

There are further hearings planned for the 4<sup>th</sup> October, 1<sup>st</sup> November and 6<sup>th</sup> December 2018 which will concentrate predominately on office and industrial type subjects. There will be, after consultation with the local Valuation Appeal Committee, further hearings arranged throughout 2019 and 2020 until the Revaluation appeals are dealt with.

Appendix 1 shows the number of appeals disposed of over the May - June appeal committee hearings and the number remaining to be dealt with. The information is provided for each of the three local authorities together with a total for the Joint Board area.

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

In addition to the Revaluation appeals, Running Roll appeals will also have to be programmed into dates throughout this period. Unlike the revaluation appeals which is a known quantity, running roll appeals will be a moving target as ratepayers and their agents can lodge this type of appeal at least once in any one financial year. Therefore, whilst the Revaluation appeals will progressively reduce over this period of time, the numbers of Running Roll appeals outstanding will fluctuate depending on numbers received throughout the quinquennium. The disposal date for this type of appeal will be determined by the date the appeal is lodged – generally by 31<sup>st</sup> December in the following year or 12 months after receipt, whichever is later.

To date we have received 470 appeals that will require to be disposed of in addition to the 3,832 Revaluation appeals.

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

As outlined previously, if a case is considered highly complex it may be necessary for it to be referred to the Lands Tribunal for Scotland. At present there are a number of cases from both the 2005 and 2010 Revaluations that have been referred to the Lands Tribunal, the bulk of which relate to mobile or complex fixed line telecommunication subjects. Negotiations are currently on-going with the relevant agents and it is hoped that agreement will be reached over the coming months without the need for any cases proceeding to formal hearings. The number involved are as follows:

11 appeals outstanding from 2005 Revaluation

36 appeals outstanding from 2010 Revaluation

**Conclusion:**

It is clear that over the following period the staff of the Joint Board face a challenge both in terms of volume and complexity of appeal cases.

The disposal of appeals is a major component of the work undertaken by the Assessor's valuation staff. It is work that can be stressful due to the strict legislative timetables and the adversarial nature of the negotiations. It is to the credit of the staff that they are able to deal with these matters with fairness, courtesy and professionalism. I hope this gives an insight into the background of the appeal process and progress of Revaluation and Running Roll appeals disposal.

Jacqueline Murgatroyd  
Assistant Assessor and ERO  
6<sup>th</sup> August 2018

For further information please contact Jacqueline Murgatroyd at 0141-618-5951 or via email at [jackie.murgatroyd@renfrewshire-vjb.gov.uk](mailto:jackie.murgatroyd@renfrewshire-vjb.gov.uk)

# APPENDIX 1

## RV/JB Revaluation 2017 – Appeals – **RENFREWSHIRE** (by number of subjects under appeal)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	528	£ 63,147,350	239	£ 17,747,650	£ 17,436,850	289	£ 45,399,700	54.73%
2 Public House	67	£ 2,482,000	1	£ 13,000	£ 13,000	66	£ 2,469,000	95.51%
3 Office including Banks	526	£ 13,448,400	21	£ 503,100	£ 458,250	505	£ 12,945,300	96.01%
4 Hotel Etc	18	£ 6,229,500	0	£ -		18	£ 6,229,500	100.00%
5 Industrial	443	£ 30,604,205	56	£ 1,186,620	£ 1,171,420	387	£ 29,417,585	87.37%
6 Leisure	46	£ 5,977,950	3	£ 6,400	£ 6,400	43	£ 5,971,550	93.48%
7 Garages and Petrol Stations	19	£ 1,003,500	0	£ -	£ -	19	£ 1,003,500	100.00%
8 Cultural	37	£ 1,326,150	0	£ -	£ -	37	£ 1,326,150	100.00%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	76	£ 13,701,350	0	£ -	£ -	76	£ 13,701,350	100.00%
11 Public Service Subjects	89	£ 5,590,000	1	£ 24,600	£ 24,600	88	£ 5,565,400	98.88%
12 Communications (Non Formula)	5	£ 9,200	0	£ -	£ -	5	£ 9,200	100.00%
13 Quarries Mines etc	1	£ 21,500	0	£ -	£ -	1	£ 21,500	100.00%
14 Petrochemical	2	£ 239,000	0	£ -	£ -	2	£ 239,000	100.00%
15 Religious	11	£ 127,600	0	£ -	£ -	11	£ 127,600	100.00%
16 Health Medical	22	£ 4,890,200	1	£ 28,000	£ 9,900	21	£ 4,862,200	95.45%
17 Other	185	£ 3,020,970	12	£ 2,475,000	£ 1,074,750	173	£ 545,970	93.51%
18 Care Facilities	18	£ 1,308,850	0	£ -	£ -	18	£ 1,308,850	100.00%
19 Advertising	38	£ 121,140	0	£ -	£ -	38	£ 121,140	100.00%
20 Undertakings / Fixed Line	16	£ 100,261,800	1	£ 64,000,000	£ 47,000,000	15	£ 36,261,800	93.75%
	2,150	£ 253,646,665	335	£ 85,984,370	£ 67,195,170	1,815	£ 167,662,295	84.42%

RVJB Revaluation 2010 – Appeals – **EAST RENFREWSHIRE** (by number of subjects under appeal)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	180	£ 11,304,000	95	£ 2,580,250	£ 2,447,500	85	£ 8,723,750	47.22%
2 Public House	12	£ 963,750	0	£ -	£ -	12	£ 963,750	100.00%
3 Office including Banks	118	£ 2,330,950	10	£ 315,350	£ 276,250	108	£ 2,015,600	91.53%
4 Hotel Etc	5	£ 635,000	0	£ -	£ -	5	£ 635,000	100.00%
5 Industrial	85	£ 1,175,105	1	£ 3,500	£ 3,500	84	£ 1,171,605	98.82%
6 Leisure	13	£ 2,248,000	0	£ -	£ -	13	£ 2,248,000	100.00%
7 Garages and Petrol Stations	8	£ 205,850	0	£ -	£ -	8	£ 205,850	100.00%
8 Cultural	14	£ 432,200	0	£ -	£ -	14	£ 432,200	100.00%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	31	£ 6,885,000	0	£ -	£ -	31	£ 6,885,000	100.00%
11 Public Service Subjects	36	£ 1,319,940	1	£ 22,500	£ 22,500	35	£ 1,297,440	97.22%
12 Communications (Non Formula)	1	£ 100	0	£ -	£ -	1	£ 100	100.00%
13 Quarries Mines etc	1	£ 60,000	0	£ -	£ -	1	£ 60,000	100.00%
14 Petrochemical	0	£ -	0	£ -	£ -	0	£ -	0.00%
15 Religious	4	£ 11,700	0	£ -	£ -	4	£ 11,700	100.00%
16 Health Medical	7	£ 919,900	1	£ 36,000	£ 100	6	£ 883,900	85.71%
17 Other	22	£ 108,950	0	£ -	£ -	22	£ 108,950	100.00%
18 Care Facilities	5	£ 486,000	0	£ -	£ -	5	£ 486,000	100.00%
19 Advertising	13	£ 55,100	0	£ -	£ -	13	£ 55,100	100.00%
20 Undertakings / Fixed Line	8	£ 1,167,200	0	£ -	£ -	8	£ 1,167,200	100.00%
	563	£ 30,308,745	108	£ 2,957,600	£ 2,749,850	455	£ 27,351,145	80.82%

RVJB Revaluation 2010 – Appeals – **INVERCLYDE** (by number of subjects under appeal)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	245	£ 12,093,100	195	£ 2,220,100	£ 2,166,800	50	£ 9,873,000	20.41%
2 Public House	28	£ 1,147,500	0	£ -	£ -	28	£ 1,147,500	100.00%
3 Office including Banks	171	£ 5,767,375	16	£ 207,550	£ 206,800	155	£ 5,559,825	90.64%
4 Hotel Etc	2	£ 171,500	0	£ -	£ -	2	£ 171,500	100.00%
5 Industrial	153	£ 3,917,550	0	£ -	£ -	153	£ 3,917,550	100.00%
6 Leisure	25	£ 1,812,500	0	£ -	£ -	25	£ 1,812,500	100.00%
7 Garages and Petrol Stations	15	£ 451,300	0	£ -	£ -	15	£ 451,300	100.00%
8 Cultural	16	£ 519,700	1	£ 7,400	£ 7,400	15	£ 512,300	93.75%
9 Sporting Subjects	0	£ -	0	£ -	£ -	0	£ -	0.00%
10 Education and Training	34	£ 7,564,550	0	£ -	£ -	34	£ 7,564,550	100.00%
11 Public Service Subjects	61	£ 2,763,800	2	£ 26,300	£ 26,300	59	£ 2,737,500	96.72%
12 Communications (Non Formula)	0	£ -	0	£ -	£ -	0	£ -	0.00%
13 Quarries Mines etc	0	£ -	0	£ -	£ -	0	£ -	0.00%
14 Petrochemical	0	£ -	0	£ -	£ -	0	£ -	0.00%
15 Religious	2	£ 57,400	0	£ -	£ -	2	£ 57,400	100.00%
16 Health Medical	11	£ 2,886,550	0	£ -	£ -	11	£ 2,886,550	100.00%
17 Other	41	£ 261,000	0	£ -	£ -	41	£ 261,000	100.00%
18 Care Facilities	9	£ 264,600	0	£ -	£ -	9	£ 264,600	100.00%
19 Advertising	7	£ 23,750	0	£ -	£ -	7	£ 23,750	100.00%
20 Undertakings / Fixed Line	9	£ 637,200	0	£ -	£ -	9	£ 637,200	100.00%
	829	£ 40,339,375	214	£ 2,461,350	£ 2,407,300	615	£ 37,878,025	74.19%

RVJB Revaluation 2010 – Appeals – **TOTALS IN JOINT BOARD AREA** (by number of subjects under appeal)

Category	Number Received	RV under Appeal	Disposed	Original RV	Adj RV	Number O/S	Appeal RV O/S	% O/S
1 Retail	953	£ 86,544,450	529	£ 22,548,000	£ 22,051,150	424	£ 63,996,450	44.49%
2 Public House	107	£ 4,593,250	1	£ 13,000	£ 13,000	106	£ 4,580,250	99.07%
3 Office including Banks	815	£ 21,546,725	47	£ 1,026,000	£ 941,300	768	£ 20,520,725	94.23%
4 Hotel Etc	25	£ 7,036,000	0	£ -	£ -	25	£ 7,036,000	100.00%
5 Industrial	681	£ 35,696,860	57	£ 1,190,120	£ 1,174,920	624	£ 34,506,740	91.63%
6 Leisure	84	£ 10,038,450	3	£ 6,400	£ 6,400	81	£ 10,032,050	96.43%
7 Garages and Petrol Stations	42	£ 1,660,650	0	£ -	£ -	42	£ 1,660,650	100.00%
8 Cultural	67	£ 2,278,050	1	£ 7,400	£ 7,400	66	£ 2,270,650	98.51%
9 Sporting Subjects	3	£ 136,000	0	£ -	£ -	3	£ 136,000	100.00%
10 Education and Training	141	£ 28,150,900	0	£ -	£ -	141	£ 28,150,900	100.00%
11 Public Service Subjects	186	£ 9,673,740	4	£ 73,400	£ 73,400	182	£ 9,600,340	97.85%
12 Communications (Non Formula)	6	£ 9,300	0	£ -	£ -	6	£ 9,300	100.00%
13 Quarries Mines etc	2	£ 81,500	0	£ -	£ -	2	£ 81,500	100.00%
14 Petrochemical	2	£ 239,000	0	£ -	£ -	2	£ 239,000	100.00%
15 Religious	17	£ 196,700	0	£ -	£ -	17	£ 196,700	100.00%
16 Health Medical	40	£ 8,696,650	2	£ 64,000	£ 10,000	38	£ 8,632,650	95.00%
17 Other	248	£ 3,390,920	12	£ 2,475,000	£ 1,074,750	236	£ 915,920	95.16%
18 Care Facilities	32	£ 2,059,450	0	£ -	£ -	32	£ 2,059,450	100.00%
19 Advertising	58	£ 199,990	0	£ -	£ -	58	£ 199,990	100.00%
20 Undertakings / Fixed Line	33	£ 102,066,200	1	£ 64,000,000	£ 47,000,000	32	£ 38,066,200	96.97%
	3.54	£ 324,294,785	657	£ 91,403,320	£ 72,352,320	2,885	£ 232,891,465	81.45%



# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board

**Meeting on:** 17<sup>th</sup> August 2018

**Subject:** Performance Report

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

## 1.0 Introduction

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

## 2.0 Council Tax

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

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

**Period 1st April 2018 to 30th June 2018**

Council Area	No. Added	Within 3 months	%age of total added	Between 3 and 6 months		%age of total added	Added within 6 months	More than 6 months	%age of total added
Renfrewshire	220	218	99.09%	1		0.46%	99.55%	1	0.45%
East Renfrewshire	44	44	100.00%	0		0.00%	100.00%	0	0.00%
Inverclyde	81	81	100.00%	0		0.00%	100.00%	0	0.00%
RVJB totals	345	343	99.42%	1		0.29%	99.71%	1	0.29%

This performance exceeds our target of 95% within three months and also our target of 99.5% within 6 months.

In the period from 1<sup>st</sup> April 2018 to 30<sup>th</sup> June 2018, the average number of days taken to add a house was as follows:

Council Area	No. Added	Average No. of Days
Renfrewshire	220	23.70
East Renfrewshire	44	20.59
Inverclyde	81	25.58
<b>RVJB Totals</b>	<b>345</b>	<b>23.75</b>

This measure is within our target of 38 days.

## 2.2 Information on Deletions from the Council Tax List

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

### 2.2.1 Number of Deletions from the Valuation (Council Tax) List between 1<sup>st</sup> April 2018 to 30<sup>th</sup> June 2018

Council Area	No. Deleted 2017	No. Deleted 2018
Renfrewshire	6	16
East Renfrewshire	4	4
Inverclyde	28	6
<b>RVJB Total</b>	<b>38</b>	<b>26</b>

## 3.0 Non-domestic Valuation

One of the main areas of work in non-domestic valuation is the maintenance of the Valuation Roll. The table below is a summary of the statutory amendments to the Valuation Roll. These are new entries being added to the Roll, entries being deleted or properties that have been altered. Each of these amendments has been made after a member of staff has inspected the premises.



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

**Period 1st April 2018 to 30th June 2018**

Council Area	No. of Alt'ns	Within 3 months	%age of total added	Between 3 and 6 months	%age of total added	Added within 6 months	More than 6 months	%age of total added
Renfrewshire	86	85	98.84%	1	1.16%	100.00%	0	0.00%
East Renfrewshire	34	33	97.06%	1	2.94%	100.00%	0	0.00%
Inverclyde	44	42	95.46%	1	2.27%	97.73%	1	2.27%
<b>RVJB totals</b>	<b>164</b>	<b>160</b>	<b>97.56%</b>	<b>3</b>	<b>1.83%</b>	<b>99.39%</b>	<b>1</b>	<b>0.61%</b>

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

The performance targets of 80% to be actioned within 3 months and 95% within 6 months have been exceeded.

### 4.0 General Conclusions

The performance levels detailed above are in line with our expectations.

### 5.0 Recommendations

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

Lindsey Hendry  
Assistant Assessor & ERO  
6 August 2018

For further information please contact Lindsey Hendry at 0141-618-5927 or via email at [lindsey.hendry@renfrewshire-vjb.gov.uk](mailto:lindsey.hendry@renfrewshire-vjb.gov.uk)





# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board  
**Meeting on:** 17<sup>th</sup> August 2018  
**Subject:** Corporate Risk Register  
**Author:** Assistant Assessor & Electoral Registration Officer

## 1. Introduction

The Corporate Risk Register has been reviewed in line with our agreed review cycle.

## 2. Recommendations

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

**Lindsey Hendry**  
**Assistant Assessor & Electoral Registration Officer**  
**9<sup>th</sup> August 2018**

For further information please contact Lindsey Hendry at 0141 618 5927 or via email at [lindsey.hendry@renfrewshire-vjb.gov.uk](mailto:lindsey.hendry@renfrewshire-vjb.gov.uk)



# RENFREWSHIRE VALUATION JOINT BOARD



## CORPORATE RISK REGISTER IG7

<b>Title</b>	Risk Register
<b>Author</b>	Depute Assessor & ERO
<b>Approved By</b>	Senior Management Team
<b>Date of Approval</b>	August 2013
<b>Reviewer</b>	Assistant Assessor & ERO - Governance
<b>Review Date</b>	As Required

### Review History

<b>Review No.</b>	<b>Details</b>	<b>Release Date</b>
<b>1</b>	First full review	1 February 2014
<b>2</b>	Second full review	1 February 2015
<b>3</b>	Third full review: Name changed to Risk Register	1 August 2016
<b>4</b>	Fourth full review – Name changed to Corporate Risk Register	1 August 2018



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## **Preamble**

The business and social environment that the Board operates and provides services within continues to be a challenging and changing environment. Change is ever present and we need to evolve in order to keep pace with our financial challenges, our key priorities and effective service delivery.

Effective Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them. The purpose is to reduce the frequency of risk events occurring where possible, and minimising their effect if they do occur. In effect it's about ensuring the right things happen and that, 'risk-aware' not 'risk-averse' decisions are taken in all areas of service delivery.

Risk management offers a number of benefits; it is not simply about health and safety risks, its purpose is to bring sharp focus on the significant risks facing the Board and identifying risk has the equal and opposite benefit of improved service delivery. For example, making major changes in Information Technology can enable an improved experience for service users, although there may be financial implications to reach the required goal.

Risk management should be an integral part of policy planning and operational management. Identifying, analysing, controlling and monitoring risk will aid elected members and senior managers make informed decisions about the appropriateness of adopting policy or service delivery options.

## 1.0 Background

1.1 Working in partnership with Renfrewshire Council, the Board's risks have been evaluated using the Council's risk matrix and involves multiplying the likelihood of occurrence of a risk by its potential impact. This produces an evaluation of risk as either 'low', 'moderate', 'high' or 'very high'. High/very high risks are viewed as significant.

1.2 The profile of corporate risk going forward is shown in the table below:

Evaluation	Low	Moderate	High	Very High	Total
No. of Risks:					

1.3 In scoping the proposed corporate risk register, the senior management team have identified those risks that they perceive to be significant. They have then taken steps to manage the risks within their control in order to safeguard their employees, service users and assets. This will in turn preserve and enhance service delivery and maintain effective stewardship of the Boards funds.

1.4 The corporate risk register will align with Renfrewshire Valuation Joint Board's Service Plan and Business Continuity Plan.

1.5 It should be noted that the cost of controlling the corporate risks and undertaking further action is currently being met within the Board's current budget.

## 2.0 Risk Management - Identification of arrangements within RVJB including Roles and Responsibilities

2.1 During December 2012, RVJB had implemented a range of standard procedures in keeping with the organisation's risk management strategy. This included adoption of the risk management process and, as mentioned above, the adoption of a standardised risk matrix for analysis and evaluation of risk.

2.2 Within RVJB the Governance Working Group, which consists of the Assessor and Electoral Registration Officer (ex-officio member), Assistant Assessors & Principal Administrative Officer are responsible for identifying risks and maintaining the Corporate Risk Register. To ensure the risks are identified a number of methods have been employed and information gathered from various sources. These are outlined below:-

Consultation	1. The GWG have met to discuss generic themes which impact on the 3 core functions of the Board, to identify service priorities and identify key challenges that may impact on service delivery, financial and other resources.
Benchmarking	2. Discussion has taken place with the Scottish Assessors Association on the risks Assessors and ERO's face throughout Scotland.
Review of key reports specific to Joint Boards	3. Service Plan 4. Business Continuity Plan 5. Electoral Commission – Performance Standards
Review of new/emerging legislation – working in partnership	7. Review of new/emerging legislation which has or will impact on the statutory 3 core functions. 8. Other examples include the Equalities Act etc

- 2.3 The Assessor or Assistant Assessor, will co-ordinate the RVJB's response to any risk event. They will ensure activation of the Senior Management Team (SMT) along with appropriate additional specialised staff, if specific expertise is required.

The SMT will act in accordance with the Corporate Risk Register and the Business Continuity Plan ensuring, so far as is reasonably practicable, the health, safety and welfare of those affected.

The SMT shall ensure effective communication between all relevant internal and external persons and agencies, keep accurate records of all decisions or actions taken and, if the Emergency Services are present, act on the advice of the senior, or Incident Officer.

Due to the relatively small and compact operation carried out by the Valuation Joint Board, the required structure can be compressed, with the same group fulfilling various roles. The expected base of operations will be The Robertson Centre or a Renfrewshire Council Property.

### **3.0 Corporate Risk Management Objectives**

The organisation's corporate risk management objectives will be met by ensuring:-

1. Leadership and management: Ensuring the Assessor and Senior Managers fully support and promote risk management.
2. Policy and strategy: Ensuring that the risk management policy and strategy remains fit for purpose, providing a consistent approach to risk management and increasing its effectiveness.
3. People: Ensuring that the organisation's people are equipped and supported to manage risk well.
4. Partnerships and resources: Ensuring that the organisation has effective arrangements in place for managing risks in partnerships.
5. Processes: Ensuring that the risk management processes are effective in supporting the business activities of the Board.
6. Risk handling and assurance: Ensuring that risks are handled well and that the organisation has assurance that risk management is delivering successful outcomes and supporting innovation.
7. Outcomes and delivery: Ensuring that risk management does contribute to achieving positive outcomes for the organisation.

### **4.0 Corporate Risks**

Eleven corporate risks have been identified and a proforma completed for each risk, with the level of risk identified, see **Appendix 1**.

The majority of the corporate risks are inter-related and in some instances inter-dependent. Given this inter-dependence the SMT will have an over-view and monitor any changes/developments which may impact on the Board's current risks.

1. Economic Sustainability / Financial Pressures	Those affecting the ability of the Board to meet its financial commitments, due to budgetary pressures as a result of increased financial pressures on the Board from their Unitary Authorities and Scottish Government.
2. Legislative Changes	Those associated with current or potential changes in national or European law. This will, potentially, create unexpected budgetary pressures.
3. Electoral Registration	Preparation for any election called outwith the normal electoral timetable, ability to deliver the election in a shortened time frame. The procurement of an Electoral Management System to mitigate risks prevalent from utilising an in-house electoral system.
4. Professional Services	Ability to deliver the statutory functions of the Joint Board e.g. non-domestic revaluations and the move to 3 yearly revaluations. Responsibility for Utilities valuations – Designated Assessor for Fixed Line Telecommunications.
5. Technological Changes/Pressures	Capacity to deal with the changes/development in IT, including the Board's ability to deal with changing demands as a result of IT development or lack of, which will impact on service delivery.
6. Failure of Information Communication Technology (ICT)	Refer to Business continuity Plan. The risk of loss of data sets, which would result in loss of service to all stakeholders e.g. through hacking
7. Loss of premises due to major damage and or loss of tenure	Refer to Business continuity Plan.
8. Loss/destruction of information held in paper format	The Board has invested in the procurement of a Document Management System but a significant amount of information is still held in paper format with little or no backup.

9. Staffing demographics; the inability to recruit and retain staff; non availability of key staff or significant numbers of staff	Existing staff demographics may give cause for concern given the number of key personnel that may retire over the next 5 years and the age profile of the Board's staff.
10. Legal	Failure to comply with : Equalities Obligations, Data Protection, Freedom of Information & Health & Safety Legislation
11. Governance	Failure to have relevant and current personnel policies, failure to follow personnel policies, failure to comply with KPI targets, failure to comply with audit actions.



## Risk Areas in Order of Significance

Risk areas	Likelihood	Impact	Score	Evaluation
REF.01 Economic stability/Financial Pressures	04	05	20	Very High, Unacceptable and significant
REF.02 Legislative changes	04	05	20	Very High, Unacceptable and significant
REF.05 Technological Changes / Pressures	04	04	16	High, Moderate and significant
REF.03 Electoral Registration	04	04	16	High, Moderate and significant
REF.06 Failure of ICT	04	04	16	High, Moderate and significant
REF.08 Loss/ Destruction of information	03	04	12	High, Tolerable and significant
REF.09 Staffing Demographics	03	04	12	High, Tolerable and significant
REF.04 Professional Services	02	04	8	Moderate/Tolerable
REF.07 Loss of premises	02	03	6	Moderate/Tolerable
REF.10 Legal : Failure to comply with Legal Obligations	02	03	6	Moderate/Tolerable
REF.11 Governance	02	03	6	Moderate/Tolerable





## RVJB Corporate Risk Register

Report Type: Risks Report  
Report Author: Lindsey Hendry  
Generated on: 19th July 2018

### Objective:

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.01 Economic Stability / Financial Pressures	Canvass ongoing costs	Kate Crawford	<ul style="list-style-type: none"><li>Medium Term financial strategy well developed and continually updated and adapted to quickly changing circumstances</li><li>Well developed budget planning, budget setting and budget monitoring arrangements at both officer and member level; clear decision making processes in place with regards budget management; financial position reported to the Board by the Treasurer to the Board</li><li>Board reporting has made clear the challenges we face in the next 3 years</li><li>Maintenance of adequate reserves to meet known and unknown peaks in workloads or expensive appeal litigation (e.g. Cost of Lands Tribunal hearings). Reserves are currently low and are at the minimum an organisation of this size should have</li><li>Support of the Board would be sought to release budgetary tension by requesting more requisitions as current reserves are now at the minimum acceptable level</li><li>As part of the medium term financial planning there is continuous development of saving workstreams to ensure the maintenance of adequate reserves to meet known and unknown peaks in workload or expensive legal litigation</li><li>Systems in place to monitor and review financial resources – Budget monitoring undertaken monthly with reports provided to the management team. This assists with budget projections when combined with future service requirements</li><li>Through the restructure of the organisation which was approved by the Board in June 2018, the Assessor has provided a streamlined, sustainable structure in the medium to long term future</li><li>Accommodation reorganisation is required in the current financial year (18/19) to ensure cost savings are made through relinquishing the upper floor of the Robertson Centre to reduce overheads. Options are being investigated with our Corporate Landlord – Renfrewshire Council</li><li>Information sharing through ongoing SAA discussion which allows the sharing of best practice with limited use of resources</li><li>Information sharing through ongoing AEA discussion which allows the sharing of best practice with limited use of resources</li><li>Potential for legal action to ensure funding is provided to a level to ensure satisfactory discharge of statutory duties</li></ul>	04	05	20 Very High/ Unacceptable and Significant
Context: (1) The Joint Board is operating in an environment of reduced resources, increased workloads and ever greater demands placed on the service. (2) Accommodation reorganisation is required to reduce overheads to allow cost savings in the current financial year.	<b>This may result in budget/ staffing set to a level too low to allow an adequate service to be provided.</b>					
Action Codes	Linked Actions	Assigned To	Due Date	Status		
	Monitor	Budget Team, Senior Management Team	Ongoing			

Context		Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.02 Legislative Changes	Legislative changes (see 'context box' for examples) <b>will lead to</b> increased budgetary pressures.	Kate Crawford	<ul style="list-style-type: none"><li>The SAA Executive has formal regular meetings with the Scottish Government and through this body we will be empowered to contribute to the decision making process</li><li>Key partnership arrangements with the Scottish Government, Electoral Commission, AEA, SAA and Cabinet Office. This allows participation in the consultation process</li><li>The SAA will continue to monitor the situation regarding Council Tax and provide advice and guidance to government as and when required and contribute to Consultations.</li><li>3 year budget setting process has to be robust to ensure all possible financial risks that changes to legislation might bring are highlighted</li><li>Any unexpected overspends should be highlighted to the Board's financial advisers</li><li>The Board has access to reserves for unexpected events although we are now at the lowest acceptable level for a organisation of this size, therefore an increase in requisitions may be sought in the short to medium term</li><li>Seek funding from other bodies where possible – including Scottish Government, Cabinet Office etc</li><li>The Assessor &amp; ERO will ensure Board members are advised of all possible outcomes affecting the organisation and service delivery arising from any statutory changes</li><li>Methodologies and processes are developed and adopted on an ongoing basis to manage any change</li><li>Further investment in IT is forward thinking to meet and support challenges the organisation will face in the future</li></ul>	<ul style="list-style-type: none"><li>The SAA Executive has formal regular meetings with the Scottish Government and through this body we will be empowered to contribute to the decision making process</li><li>Key partnership arrangements with the Scottish Government, Electoral Commission, AEA, SAA and Cabinet Office. This allows participation in the consultation process</li><li>The SAA will continue to monitor the situation regarding Council Tax and provide advice and guidance to government as and when required and contribute to Consultations.</li><li>3 year budget setting process has to be robust to ensure all possible financial risks that changes to legislation might bring are highlighted</li><li>Any unexpected overspends should be highlighted to the Board's financial advisers</li><li>The Board has access to reserves for unexpected events although we are now at the lowest acceptable level for a organisation of this size, therefore an increase in requisitions may be sought in the short to medium term</li><li>Seek funding from other bodies where possible – including Scottish Government, Cabinet Office etc</li><li>The Assessor &amp; ERO will ensure Board members are advised of all possible outcomes affecting the organisation and service delivery arising from any statutory changes</li><li>Methodologies and processes are developed and adopted on an ongoing basis to manage any change</li><li>Further investment in IT is forward thinking to meet and support challenges the organisation will face in the future</li></ul>	4	5	20 Very High/ Unacceptable/ Significant
<u>Context:</u>							
(1) Legislative changes affecting the discharge of statutory duties.							
(2) Examples include: the Scottish Government to committing to a number of recommendations of the Barclay Review into non-domestic rates published in August 2017 which will require primary legislation.							
(3) Further changes to Electoral Registration Law e.g. canvass							
(4) Prospect of a Council Tax Revaluation and the corresponding changes to the legislation							
Action Codes		Linked Actions	Assigned To		Due Date	Status	
		Monitor	Senior Management Team		ongoing		

Context		Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.03 Electoral Registration	<p>Context: IER has impacted on</p> <p>(1) the updating process of the register</p> <p>(2) the canvass both timing and extra costs</p> <p>Additional Considerations</p> <p>(3) With the Scottish Government's Devolved powers for both the Scottish Parliamentary and Local Government Elections, the franchise has been changed for both these types of elections to include 16yrs +. Requires IT/EMS systems to be able to differentiate between Westminster Franchise Elections and Scottish.</p> <p>(4) The Scottish Government Consultation on Electoral Reform which is considering further changes to the franchise amongst other options.</p> <p>(5) Snap elections called over the last two years have put a significant strain of the Board's budget.</p> <p>(6) PSN accreditation has been achieved, however connectivity is still through Renfrewshire Council until such times as this can be separated.</p>	There are ongoing pressures - both financial and timing pressures continue to have an effect on the Canvass	Kate Crawford	<ul style="list-style-type: none"><li>Board are fully aware of the continued impact of IER on electoral services through regular updates at Board meetings</li><li>Short term funding and IT development costs have been met by the Cabinet Office but this funding is expected to end in the short term</li><li>Our continued membership of the SAA and the Assessor's position as Vice Chair of the SAA's Electoral Committee, allows access to the, Electoral Commission, the Scottish Government &amp; Cabinet Offices allowing the Board to be at the forefront of discussions consultation on best practice for future changes to the electoral process</li><li>Due to the forecast changes to our core operating system, the need to procure an Electoral Management System is required in the short term which will mitigate the risks associated with electoral registration</li><li>While the Board's bespoke Electoral Management System is still utilised, the Electoral Project Plan is maintained and updated to ensure all necessary activities are planned for and sufficient resources are available as and when required</li><li>The SMT have ensured evaluation of previous electoral events have been integrated into the planning process</li></ul>	4	4	16 High/ Moderate/ Significant
Action Codes		Linked Actions	Assigned To		Due Date	Status	
		Monitor	Assessor		Ongoing		

Context		Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.04 Professional Services	The organisation is facing the disposal of the 2017 revaluation appeals with the lowest number of qualified staff. Risks involved with this situation are less resilience if a member of staff has a long term absence, maternity leave.	Kate Crawford	<ul style="list-style-type: none"><li>Strategy in place to tackle priorities, timetable, preparatory work and momentum</li><li>Monitoring of progress and working with SAA colleagues to ensure all values are defended rigorously.</li><li>Systems in place to monitor and review incoming appeals and outstanding appeals. Reporting of the disposal programme is reported on a monthly basis to the SMT and quarterly to Scottish Government.</li><li>Schedule of dates to December 2020 for all committee hearings to deal with the 2017 appeals have been agreed with the Renfrewshire Valuation Appeal Panel</li><li>System in place to analyse results of committee hearings to ensure lessons learned inform other appeals</li><li>Information sharing through ongoing SAA discussion</li><li>Monitoring of staffs workload to minimise stress</li><li>Seek effective three year budgetary cycle to ensure financial resources are in place and known</li><li>Utilise information technology to support the citation process and the subsequent appeal process</li><li>Seek methods that will allow appeals to be dealt with in a cost effective manner. E.g. Partnership working to reduce cost of citation – deal with appeals pre-citation</li><li>Telecoms appeal work requires careful monitoring and request for resources to deal with this workload if the resultant appeal disposal cannot be continued to be resourced from existing budget</li></ul>	2	4	8 Moderate/ Tolerable	
Context: (7) Breaching statutory duties in terms of disposal date for 2017 Revaluation appeals pressure on staff to deal with high appeal loads (8) Pressure on Valuation Appeal Committee to dispose of outstanding appeals by the statutory deadline. (9) Costs associated with defence of values at Valuation Appeal Committee (10) costs associated with proceeding to a hearing at the Lands Tribunal. This is estimated to be circa £10k/day at Tribunal - inclusive of preparatory work and employment of legal counsel. (11) impact on revenue collection for our 3 Unitary Authorities due to loss of value on appeal (12) impact on Rateable Values for Central Government resulting in financial uncertainty (13) In the longer term, the risks involved with the implementation of 3 yearly Revaluation cycles and the disposal of the resultant appeals in a, possibly, shorter time frame		The Board needs to have the relevant knowledge base and allow staff to continually develop this knowledge to ensure appeals can be robustly defended  Attendance at Valuation Appeal Committee Hearings is increasing with the associated costs thereby increasing  RVJB Assessor is Designated Assessor dealing with Telecoms for all of Scotland. Very high values generated and subsequent appeals could necessitate legal costs to defend, as required. The cost of time and the resources involved in producing and defending these values for the whole of Scotland has to be funded from existing budget  3 yearly Revaluation cycles will have an impact on resources e.g. the disposal of the resultant appeals from one Revaluation being undertaken at the same time as preparing for the next Revaluation					
Action Codes		Linked Actions	Assigned To	Due Date	Status		
		Monitor	Principal Surveyors, Assistant Assessors	Ongoing			

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.05 Technological Changes / Pressures	Capacity to deal with the changes/development in IT, including the Board's ability to deal with changing demands as a result of IT development which <b>will impact on</b> service delivery, ability to perform statutory duties of the three core functions to the required deadline and potential increase in resources/knowledge base required to support the IT team.	Kate Crawford	<ul style="list-style-type: none"> <li>Strategy in place to establish priorities, timetable, and to maintain momentum in reaching the requirements for fast efficient service delivery – achieved through the IT Strategic and operational Working Groups</li> <li>Working with partners in Renfrewshire Council IT detailing our requirements over the mid to longer term</li> <li>Perform daily back-ups and download documentation onto tapes/disks for secure storage off-site</li> <li>Mitigate by engaging with Cabinet Office, Renfrewshire Council and Class Consultants. Retain current reserves to off-set any additional costs</li> <li>The purchase of an off the shelf EMS will provide savings in the medium to long term and also remove the requirement of Renfrewshire Council to disconnect the Board from RC's API connection</li> </ul>	4	4	16 High/ Moderate/ Significant
Context: (1) The Progress operating system, which facilities both the Valuation and Electoral functions, is being phased out by Renfrewshire Council and the Board has no option but to look for a suitable replacement.	With the move to 3 yearly revaluations, the IT systems have to be able to minimise the demands placed on the valuation team and assist in this seismic change to the rating landscape					
(2) The procurement of an "off the shelf" EMS in the short term to future proof for the loss of Progress and to mitigate the risk of unplanned electoral events and the Board's limited resources	Unresolved PSN issue is the disconnection of the Board from Renfrewshire Council's API connection					
(3) The procurement of a suitable valuation system to cope with the move to 3 yearly Revaluations.						
Action Codes	Linked Actions	Assigned To		Due Date		Status
	Senior Management Team to investigate procurement of alternative systems	Senior Management Team		Ongoing		

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.06 Failure of ICT	There are many events which may cause ICT failure such as: internal/external malicious damage; failure of third parties to meet deadlines; failure to back-up ICT; major ICT failure; failure due to virus attack.	Kate Crawford	<ul style="list-style-type: none"><li>Board is accredited to PSN standard and ICT is put through an ITHS each year before applying for reaccreditation under PSN.</li><li>SLA in place to ensure development is on-going in line with service requirements</li><li>Contractual arrangements in place for maintenance and upgrading with external contractors</li><li>Anti-Virus, anti-spam software continually updated</li><li>Firewall, Network application controls and audit procedures all in place and continually updated/reviewed</li><li>All applications and data sets are backed up nightly on site</li><li>Loss of processing limited to 72 hours as a result of back up</li><li>Currently there are 3 on site IT staff to provide an instant response to problems</li><li>Server capacity reviewed/renewed on a regular basis to provide maximum data protection</li><li>We are reliant on effective I.T. systems for many key areas of services, and the priorities and processes for dealing with failure of I.T. systems, an effective IT Disaster Recovery Plan is currently being prepared, however it is reliant on the Board being able to partner with Renfrewshire Council's Cloud Base Disaster Recovery Site.</li><li>With the back scanning of paper files, the requirement for a fully functioning disaster recovery for the Board in its own right is also required and this is currently being investigated.</li></ul>	4	4	16 High/ Moderate/ Significant
Context: (1) Non availability of systems, either through system/ telephony or power supply failure or sabotage (2) Potential loss of key business or financial data	A combination of one or more of the above events happening would result in a major impact in service delivery to all stakeholders.					
Action Codes	Linked Actions	Assigned To		Due Date	Status	
	Monitor	Assessor		Ongoing		

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.07 Loss of premises due to major damage/ loss of tenure and non-availability of key or significant numbers of staff.  Refer to Business Continuity Plan	<ul style="list-style-type: none"><li>Should such an event occur, it is assumed that one of the constituent Councils will be in a position to provide temporary facilities. Should this not be the case in the immediate situation, this may result in a temporary loss of service</li></ul> <p>Following the introduction of PSN large areas of the VJB's network is now Virtual. This would enable the services to be brought on stream far quicker</p> <p>Non-availability of key or significant staff may result in a temporary loss of service</p>	Kate Crawford	<ul style="list-style-type: none"><li>Lease in place with Renfrewshire Council until 2024</li><li>It is assumed that replacement resources, buildings, and infrastructure are all to a certain extent, and within a foreseeable time scale, available, i.e. the disaster does not affect the whole area, but is more or less confined to the Valuation Joint Board's service provision. Should such an event occur, it is assumed that one of the constituent Councils will be in a position to provide temporary facilities</li><li>Constant review of Business Continuity Plan</li><li>Staff are aware of Business Continuity Plan and appropriate members hold copy of this plan at home.</li><li>Annual refresh of contact details of all RVJB staff to ensure correct information is held in an emergency situation</li></ul>	2	3	6 Moderate/ Tolerable
<u>Context:</u> (1) The preferred option in the event of the loss of the Robertson Centre would be a new location sourced via Renfrewshire Council Civil Contingencies Service (2) Due to the nature of the RVJB's operations and the nature of the VJB's relationship with not only its lead authority, Renfrewshire Council, but also its other 2 constituent Councils, East Renfrewshire and Inverclyde, it has also been assumed that it is impractical/ unnecessary to seek to identify potential accommodation in the vicinity of the VJB's offices which is retained unoccupied as a potential emergency option for organisations affected by disaster. (3) Non-availability of key staff or significant numbers of staff, either through outbreak/ disease, industrial action, transport disruption/ fuel shortages, severe weather etc.						
Action Codes	Linked Actions	Assigned To	Due Date	Status		
	No change	Assistant Assessors, IT Department	Ongoing			



Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.08 Loss/ Destruction of information held in paper format  Context: (1) While a great deal of information is held electronically for Electoral Registration, Council Tax and Non Domestic subjects, loss of paper files would cause some delay in dealing with enquiries or appeals.	A significant loss of paper information will result in staff hours spent ingathering the lost information. Removing them from other duties such as Running Roll changes and appeals disposal. <b>This could impact on meeting</b> statutory deadlines; informing partners of changes to the Valuation Roll & Council Tax List within the KPIs set by Government.	Kate Crawford	<ul style="list-style-type: none"> <li>Currently scanning all files for domestic &amp; non-domestic files with the introduction of the Document Management System mitigating the risk for all 3 core functions.</li> <li>ER information held largely electronically.</li> <li>Introduction of telephone, text and internet registration has aided in reducing paper receipt and handling.</li> <li>Non Domestic valuations are held largely electronically, however plans and historical documents are not.</li> <li>CT technical data and bands held electronically.</li> <li>Regular fire alarms and testing of the system.</li> <li>CCTV &amp; fire extinguishers in place.</li> </ul>	3	4	12 High/ Tolerable/ Significant
Action Codes	Linked Actions	Assigned To		Due Date		Status
	Data Migration of N drive on to Document Management System	Assistant Assessors, IT Department		On going		



Context		Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.09 Staffing demographics	Context: (1) Existing staff demographics show the skill base in Electoral Registration lies with those that are nearing retirement. (2) Inability to recruit & retain staff	The demographic profile of the RVJB workforce combined with significant reductions in levels of available staff could result in a loss of key knowledge and skills and impact on the service's ability to function or deliver critical processes.	Kate Crawford	<ul style="list-style-type: none"><li>Staff demographics are monitored &amp; reported through the Equalities framework</li><li>Forward planning in place if key members of staff should exercise their option to retire</li><li>Adverts for staff are placed in key areas – appropriate internet sites, newspapers etc</li><li>Trainee Valuer posts: training programme in place to provide training to allow the trainee to sit the Assessment of Professional Competence and become a member of the Royal Institution of Chartered Surveyors</li><li>Current staff are being trained in other areas of service delivery to allow for succession planning</li></ul>	3	4	12 High/ Tolerable/ Significant
Action Codes	Linked Actions		Assigned To		Due Date		Status
	No Change						

Context		Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF.10 Legal	Context: Failure to comply with legislation e.g. Data Protection legislation, Freedom of Information (Scotland) Act 2002, Equalities obligations, Records Management Act 2011 and Health & Safety legislation	Due to changes in legislation and ever increasing demands from stakeholders, failure to comply with legislation could result in reputational damage, breach of agreements and substantial fines.	Kate Crawford	<ul style="list-style-type: none"><li>A Data Protection Officer (DPO) has been employed by the Board due to the requirement under data protection legislation and to ensure continued compliance which mitigates risk</li><li>Ensure a Data Protection Impact Assessment is undertaken where appropriate under the guidance of the DPO</li><li>Publication Scheme adopted and published on the Board's website</li><li>Analysis of FOI requests to monitor information requested and if appropriate information provided added to Publication Scheme</li><li>Information gathered from Information Commissioner newsletters</li><li>Monitoring of service and staffing implemented to ensure compliance with Equalities obligations</li><li>Equalities report prepared and published on the Board's website</li><li>Document Management System installed to work towards completion of a future development identified in the Board's Records Management Plan</li><li>Fire Risk Assessments in force with regular reviews, fire evacuation drills undertaken with regular testing of alarms etc. Fire wardens/first aiders identified and circulated to staff. Protective clothing maintained regularly</li><li>For the Board's responsibilities under data protection, FOI(S)A etc, policies have been approved and published and staff training is provided and monitored to ensure continued compliance. They are also standing items on the Governance Working Group agenda</li><li>The Board also has representatives on the SAA Governance Committee to ensure shared knowledge and good practice. The Board is also represented on Renfrewshire Council's Internal Working Groups relating to Health &amp; Safety, FOI etc</li></ul>	2	3	6 Moderate/ Tolerable
Action Codes				Linked Actions	Assigned To		Due Date
	Monitor	Assistant Assessor - Governance		Ongoing			

Context		Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF. 11 Governance	<p>Poor corporate governance e.g. failure to comply with audit actions, to have and follow personnel policies and to achieve the Board's Key Performance Indicators can lead to poor performance, demotivated staff, grievance/disciplinary actions and reputational damage</p> <p>Context:</p> <p>(1) Failure to comply with Audit Actions</p> <p>(2) Failure to have and follow relevant and current personnel policies</p> <p>(3) Failure to achieve Key Performance Indicators</p>		Kate Crawford	<ul style="list-style-type: none"> <li>• Consultation with both Internal and External Auditors. Preparation and management of Board Reports</li> <li>• Budget team meet to approve final accounts and audit report before publication</li> <li>• Audit action lists reviewed by Senior Management Team (SMT)</li> <li>• Audit is a standing item on Governance Working Group</li> <li>• Adaptation and adoption, where appropriate, of Renfrewshire Council's policies, as lead authority</li> <li>• Relevant policies/procedures in place relating to disciplinary actions and grievance complaints</li> <li>• Policies/Procedures available to view on Document Management System and are standing items on the Governance Working Group agenda</li> <li>• Liaison with Renfrewshire Council's Human Resources Department on a regular basis</li> <li>• Staff training provided and reviewed on a regular basis</li> <li>• KPIs are monitored on a monthly basis by SMT and Principal Surveyors</li> <li>• Performance Improvement Reports have been introduced to formalise existing procedures for valuation roll/council tax amendments processed outwith the Board's targets. Corrective action taken where appropriate e.g. time management course for individual staff member</li> </ul>	2	3	6 Moderate/ Tolerable
Action Codes		Linked Actions	Assigned To				
		Monitor	Assistant Assessors				
			Due Date				
			Ongoing				
			Status				



# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board  
**Meeting on:** 17<sup>th</sup> August 2018  
**Subject:** Risk Management Strategy  
**Author:** Assistant Assessor & Electoral Registration Officer

## 1. Introduction

The Risk Management Strategy has been reviewed in line with our agreed review cycle.

## 2. Recommendations

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

**Lindsey Hendry**  
**Assistant Assessor & Electoral Registration Officer**  
**9<sup>th</sup> August 2018**

For further information please contact Lindsey Hendry at 0141 618 5927 or via email at [lindsey.hendry@renfrewshire-vjb.gov.uk](mailto:lindsey.hendry@renfrewshire-vjb.gov.uk)



# RENFREWSHIRE VALUATION JOINT BOARD



## RISK MANAGEMENT STRATEGY IG8

<b>Title</b>	Risk Management Strategy
<b>Author</b>	Depute Assessor & ERO
<b>Approved By</b>	Senior Management Team
<b>Date of Approval</b>	May 2016
<b>Reviewer</b>	Assistant Assessor & ERO - Governance
<b>Review Date</b>	As required

### Review History

<b>Review No.</b>	<b>Details</b>	<b>Release Date</b>
1	Review of Policy	July 2018





# **RISK MANAGEMENT STRATEGY**

## **INTRODUCTION**

Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they do occur.

Risk management offers a number of benefits. It is not simply about insurance or health and safety risks. Rather, effective risk management will provide the Valuation Joint Board with a means of improving its strategic, operational and financial management. It can also help to minimise financial losses, service disruption, bad publicity, threats to public health or claims for compensation.

Risk management is a key task for managers in every organisation. In local government, identifying and evaluating the consequences of policies or actions is not always referred to as risk management. However, failure to pay proper attention to the likelihood and consequences of risks could cause the Joint Board serious problems. The effective management of risk is therefore a critical part of the Joint Board's approach to delivering the sound governance element of Best Value.

Risk management will be an integral part of policy planning and operational management. Identifying, analysing, controlling and monitoring risk will help elected members and managers make informed decisions about the appropriateness of adopting policy or service delivery options.

Renfrewshire Valuation Joint Board's Risk Management Strategy is the responsibility of the Governance Working Group which comprises the Principal Administrative Officer and the Assistant Assessors & Electoral Registration Officers. The Assessor & ERO is an ex-officio member. The Group also has responsibility for preparing, monitoring, maintaining and updating the Board's Corporate Risk Register. The strategy sets out policy in respect of business risk and provides a framework to structure the approach.

## **POLICY CONTEXT**

Renfrewshire Valuation Joint Board aims to provide high quality, effective and responsible services to all of our stakeholders.

In order to achieve this Renfrewshire Valuation Joint Board is committed to the management of risks within its control in order to safeguard its employees and service users, protect its assets, preserve and enhance service delivery and maintain effective stewardship of its funds.

## **AIMS AND OBJECTIVES OF THE STRATEGY**

The aims and objectives of the strategy include:-

- Identification of risks
- Quantification of risks
- Control of risks
- Financing of risks

## SCOPE OF THE STRATEGY

All risks associated with

- services
- staff
- assets
- infrastructure
- systems
- stakeholders

will be included in the risk management process. Risk management is a continuous process which will incorporate all strategic and operational risks. Categories of strategic and operational risks are defined in Appendix 1.

## PROCESS AND METHODOLOGY

To manage risk effectively, the risks associated with each policy option or service delivery method needs to be systematically identified, analysed, controlled and monitored. This process is called the risk management cycle.

In line with these requirements, a four stage approach to risk management will be adopted.

### 1. Approach

#### 1.1 Risk Identification

For each category in Appendix 1, actual losses and failures which have occurred as well as those which might threaten the Joint Board will be identified and listed in the Corporate Risk Register.

#### 1.2 Risk Analysis

Each risk identified will be systematically and accurately assessed. The process will assess

- the probability of risk event occurring, and
- the potential severity of the consequences should such an event occur.

Using managers' experience, judgements will be made about the likelihood and severity of events occurring and these will be categorised as low, medium or high risk.

The probability and severity will then be assessed together using the formula

$$\text{Risk} = \text{Likelihood of occurrence} \times \text{Severity}$$

and prioritised for control action.

#### 1.3 Risk Appetite

Risk appetite is defined as the amount of risk the Board is willing to accept, tolerate or be exposed to at any one time. Risk appetite is normally assessed on a scale ranging from high to zero. The Board's risk appetite has been assessed as moderate in most cases. Although there may be time critical events where this is unacceptable, the Board is generally willing to accept risks that may affect delivery of core services in the short term which is defined for the purpose of this plan as a period of up to fourteen days.



In certain cases, such as time critical periods associated with electoral registration, the risk appetite has been assessed as zero. This means that the Board is not willing to accept risks that may affect the delivery of a time critical electoral registration service.

#### 1.4 Risk Control

Actions will be taken or planned to minimise the likelihood of the risk occurring or the severity of the consequences should it happen. This may require the identification and implementation of projects or revisions to operating practices. The appropriate action may be to transfer risk to another body,

#### 1.5 Risk Monitoring

The effectiveness of any actions or amendments to operating practices must be monitored and reviewed and the nature of risks will be assessed for change over time.

### 2. **Corporate Risk Register**

- The Joint Board's Senior Management Team will be responsible for developing and maintaining a Corporate Risk Register.
- The Corporate Risk Register will be reviewed by the Governance Working Group at their regular meetings.
- The Corporate Risk Register will be reported to the Joint Board at least annually.
- The Assessor and Electoral Registration Officer will have overall responsibility for the Corporate Risk Register.

## ROLES AND RESPONSIBILITIES

Parties	Role
Elected Members	Oversee the effective management of risk by officers of the Joint Board.
Assessor and Electoral Registration Officer	Ensure that the Joint Board manages risk effectively through the development, implementation and review of a risk strategy. Overall responsibility for the development and maintenance of a risk register. Report risk register to Joint Board. To consult with lead authority on insurance issues.
Senior Management Team	Input into the development, implementation and review of risk strategy. Input into the development and maintenance of a risk register. To ensure risk is effectively managed across all areas of function.
Governance Working Group	Organise relevant training and raise awareness of the risk strategy. Monitor and Review success of risk control actions and procedures.
Line Managers	Assist in the implementation of the risk management strategy across relevant area of function.
Employees	Make every effort to be aware of situations which place themselves, others or service delivery at risk and report hazards. Provide information on any risks or hazards to Management Team for inclusion within Corporate Risk Register.
Renfrewshire Council – Corporate Services	Provide assistance, advice and training on budgetary planning and control. Provide assistance and advice on insurance and risk. Assist in the handling of any litigation claims. Negotiate insurance cover.
Internal Health & Safety Work Group	Advise on any health and safety implications of the chosen or preferred arrangements for service delivery.

## REVIEW

- Regular reviews of the risk management strategy will be included in Service Plans.

## **FINANCING RISK**

Risk financing is an important element of risk management. The purpose is to reduce the total cost of risk, which includes:-

- The amount of uninsured losses met by the Joint Board's funds.
- Insurance premiums for the external insurance cover obtained.
- Excesses applied to individual claims.
- Management and administration costs associated with risk and insurance.
- The cost of preventative measures taken to reduce risk.

Insurance broking and loss adjusting will be negotiated by the appropriate officers of Renfrewshire Council, who provide financial and corporate services to the Board.

In major initiatives and partnerships the cost of risk will be shared as far as is possible.

Revenue budgets will carry the costs relating to risk prevention and loss.

## **COMMITMENT**

It provides a robust framework for the continuous improvement of our risk management practices across the Joint Board's areas of function.



**STRATEGIC RISKS** are hazards and risks which need to be taken into account in judgements about the medium to long term goals and objectives of the Valuation Joint Board. These may include:-

Risk Category	Definition
Political	Those associated with failure to deliver either local/central government policy.
Economic	Those affecting the ability of the Joint Board to meet its financial commitments, including budgetary pressures, failure to purchase adequate insurance cover and changes in the economy.
Social	Those relating to the effects of changes in demographic, residential or socio-economic trends on the Joint Board's ability to deliver its service.
Technological	Those associated with the Joint Board's capacity to deal with the pace/scale of technological change, its ability to use technology to address changing demands, or the consequences of failure of technologies on the Joint Board's ability to deliver its services.
Legislative	Those associated with current or potential changes in national or European law. Those associated with failure to meet statutory duties.
Environmental	Those related to the environmental consequences of delivering the Joint Board's services.
Competitive	Those affecting the competitiveness of the service in terms of cost or quality.
Stakeholders	Those associated with failure to meet the current and changing needs, expectations and aspirations of stakeholders.

**OPERATIONAL RISKS** are hazards and risks which managers and staff will encounter in the daily course of their work. These may include:-

Risk Category	Definition
Professional	Those associated with the particular nature of each profession.
Financial	Those associated with financial planning and control and the adequacy of insurance cover.
Legal	Those related to possible breaches of legislation.
Physical	Those related to fire, security, accident prevention and health and safety.
Contractual	Those associated with the failure of contractors to deliver services or products to the agreed specification and cost and within agreed timescale.
Technological	Those related to reliance on operational equipment (eg IT systems, etc)
Environmental	Those related to pollution, noise or energy efficiency of ongoing service operation.





# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board  
**Meeting on:** 17<sup>th</sup> August 2018  
**Subject:** Flexible Retirement Policy  
**Author:** Assessor & Electoral Registration Officer

## 1. Introduction

The Flexible Retirement Policy is a new policy for the Joint Board. The policy has been adopted from Renfrewshire Council and adapted for use by the Joint Board.

## 2. Recommendations

- i. The Board approves the policy.

**Kate Crawford**  
**Assessor & Electoral Registration Officer**  
**9<sup>th</sup> August 2018**

For further information please contact Kate Crawford at 0141 618 5903 or via email at [kate.crawford@renfrewshire-vjb.gov.uk](mailto:kate.crawford@renfrewshire-vjb.gov.uk)





# RENFREWSHIRE VALUATION JOINT BOARD



## FLEXIBLE RETIREMENT HR27

<b>Title</b>	Flexible Retirement
<b>Author</b>	Kate Crawford, Assessor
<b>Approved By</b>	Management Team
<b>Date of Approval</b>	
<b>Reviewer</b>	PAO
<b>Review Date</b>	As required

### Review History

Review No.	Details	Release Date



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## **1. Introduction**

- 1.1 Renfrewshire Valuation Joint Board (RVJB) recognises the importance of supporting its workforce to achieve a balance between their work and home life during employment and in planning for the transition to retirement. Flexible retirement can also be helpful in supporting services to modernise and achieve the Board's strategic workforce planning objectives.
- 1.2 Flexible Retirement enables an active member of the Local Government Pension Scheme (LGPS), who is 55 years or over, has met the 2 years vesting period in the scheme and who agrees to a reduction in working hours or grade with the Board's consent, to elect to receive immediate payment of all or part of the retirement pension to which they are entitled to in respect of that employment.
- 1.3 All requests for flexible retirement will be considered in accordance with the Local Government Pension Scheme (Scotland) Regulations 2014 and the Board's Pension Discretions Policy. In determining requests, consideration will be given to requests being workable, affordable, reasonable and take account of any foreseeable costs to the Board.

## **2. Purpose and Aims**

- 2.1 The purpose of this policy is to support the Board to manage flexible retirement requests with a clear, fair and transparent process.
- 2.2 This policy aims to:
  - Support employees with the transition to retirement;
  - Promote work-life balance and age diversity;
  - Retain skilled and experienced employees particularly in areas where the Board has hard to recruit posts;
  - Support services with organisational change and workforce planning approaches;
  - Encourage employees, where appropriate to consider alternatives to full retirement.

## **3. Scope**

- 3.1 This policy applies to all RVJB employees, aged 55 years and over and who meet the 2 year vesting period within the LGPS. This policy will exclude the Assessor & ERO.

#### **4. Eligibility Criteria**

- 4.1 The Assessor & ERO or nominated senior officer will determine each request for flexible retirement on its own merits, carefully considering the potential benefits and impacts the request will have as detailed in Section 6.3 of this policy. There is no automatic right to flexible retirement.
- 4.2 Employees must meet and agree to the following eligibility criteria:
- Be at least 55 years of age and have met the 2 years vesting period within the LGPS and;
  - Reduce their hours of work by a minimum of 20% and maximum of 60% per week or reduce their grade.
- 4.3 A reduction in hours can be achieved in a number of ways. For example, reduced hours on specific days, or everyday, or reducing days worked in the week. The proposed reduced working pattern should be detailed in the request.
- 4.4 A reduction in grade must be to an established vacant post within the employee's team or section. In exceptional cases, a move to a post elsewhere within the service may be agreed. A reduction in grade may also be achievable through a service restructuring involving a redefinition of roles and grade reduction.
- 4.5 Strain on the fund pension costs associated with an employee partly retiring early will not be absorbed by the Board. Any request for flexible retirement which has a strain cost will only be approved provided the employee agrees to a reduction of their pension taking account of these costs.

#### **5. Making a Flexible Retirement Request**

- 5.1 Employees should submit their request for flexible retirement to the Assessor & ERO in writing, providing the following information:
- The reasons for the request;
  - The required reduction in hours or grade;
  - The proposed start date of the arrangement;
  - The impact(s) the proposed request would have in their work area and on any areas of responsibility that they have.
- 5.2 All flexible retirement requests should be made at least 6 months in advance of when the arrangement is due to start. This will ensure that the relevant pension fund, payroll and operational arrangements can be put into place.

## **6. Considering a Request and Reaching a Decision**

- 6.1 The Assessor & ERO or nominated senior officer should hold a meeting with the employee to discuss the request. The purpose of this meeting is to discuss the request in detail ensuring all facts are gathered or where appropriate consider alternatives to flexible retirement.
- 6.2 A decision on the request should be made by the Assessor & ERO or nominated senior officer within 28 days following the meeting.
- 6.3 The Assessor & ERO or nominated senior officer should consider the following before making the decision:
- The benefits of approving the request, for example retention of key skills and expertise allowing for effective workforce planning;
  - All cost implications. Pension calculations from Strathclyde Pension Fund Office should be requested;
  - The operational impact on service delivery and whether there is a need to redesign or redistribute work;
  - Any compassionate reasons for the request;
  - The impact on the structure and any line and team management responsibilities;
  - Any statutory duties in which a reduction in grade may impact on;
  - Any suitable alternatives to flexible retirement.
- 6.4 The employee will receive written confirmation of the decision without any undue delay once all required information necessary has been obtained. If flexible retirement is agreed, a meeting will be arranged with the employee to ensure that the relevant pension fund and payroll documentation is completed. Once arrangements are in place, a variation to the contract of employment will be issued to the employee. Adjustments to the employee's terms and conditions, pay, annual leave entitlement, responsibilities etc will be made to reflect the new flexible working arrangement.
- 6.5 Should the request be refused, the employee will receive written confirmation of the decision from the Assessor & ERO or nominated senior manager explaining the business reasons for refusal. The Assessor & ERO or nominated senior manager's decision is final.
- 6.6 Membership of the LGPS will continue if flexible retirement is approved, unless employees choose to opt out of the pension scheme.

## **7. Employee Considerations and Financial Advice**

- 7.1 Employees are encouraged to seek independent financial advice before agreeing to any permanent, contractual employment changes which will affect their retirement plans. Also, employees should also consider the following before requesting/agreeing to a flexible retirement arrangement:

- Flexible retirement will be a permanent contractual adjustment until a final retirement date is agreed.
- Remaining in employment whilst in receipt of pension benefits may result in an employee earning the same or more than the full time equivalent salary for that role. This could also result in an employee paying a higher rate of tax dependant on the amount/value of pension benefit accessed.
- Employees will automatically re-join the pension scheme paying contributions on the reduced salary accruing new pension benefits which will become payable on full retirement. Employees who do not wish to re-join the pension scheme may opt out and no contributions will be deducted from their salary. This means that an employee will not receive any additional Local Government Pension Scheme pension when they retire fully and there would also be no death in service benefits. Opt-out forms are available from the pension scheme provider: [www.spfo.org.uk](http://www.spfo.org.uk).
- Employees who retire before their earliest retirement date (unless transitional protection arrangements apply) should be aware that this will result in their pension benefits being reduced (actuarial reduction).

## **8. Confidentiality**

- 8.1 Information relating to flexible retirement requests will be recorded, maintained and processed confidentially and securely by Renfrewshire Valuation Joint Board. Information processed may include manual or electronic records and will be done so in line with the General Data Protection Regulations and will be used only to monitor the effectiveness of this policy. Information will not be divulged to third parties without written consent from the employee.

## **9. Impact Assessment**

- 9.1 This policy has been impact assessed in line with the Board's obligation to comply with the Equality Act 2010 and the Public Sector Equality Duty.

## **10. Monitoring and Review**

- 10.1 This policy will be reviewed regularly and in line with any legislative and organisational changes. The recognised trade unions will be consulted on any future changes to this policy.





# Renfrewshire Valuation Joint Board

**Report to:** Renfrewshire Valuation Joint Board  
**Meeting on:** 17<sup>th</sup> August 2018  
**Subject:** Carers Leave Policy  
**Author:** Assessor & Electoral Registration Officer

## 1. Introduction

The Carers Leave Policy is new policy for the Joint Board. The policy has been adopted from Renfrewshire Council and adapted for use by the Joint Board.

## 2. Recommendations

- i. The Board approves the policy.

**Kate Crawford**  
**Assessor & Electoral Registration Officer**  
**9<sup>th</sup> August 2018**

For further information please contact Kate Crawford at 0141 618 5903 or via email at [kate.crawford@renfrewshire-vjb.gov.uk](mailto:kate.crawford@renfrewshire-vjb.gov.uk)



# RENFREWSHIRE VALUATION JOINT BOARD



## CARERS LEAVE POLICY HR26

<b>Title</b>	Carers Leave Policy
<b>Author</b>	Kate Crawford, Assessor
<b>Approved By</b>	Management Team
<b>Date of Approval</b>	
<b>Reviewer</b>	PAO
<b>Review Date</b>	As required

### Review History

<b>Review No.</b>	<b>Details</b>	<b>Release Date</b>



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## **1. Introduction**

- 1.1 Renfrewshire Valuation Joint Board (RVJB) recognises that employees increasingly have caring responsibilities which sometimes can be challenging and may impact their ability to balance their work and home life.
- 1.2 For carers, work can often represent a lifeline, not only financially, but in providing a life outside of caring. However, juggling work and caring responsibilities can be extremely stressful. Research carried out by the Scottish Government indicates that over 3 million people in the UK combine paid work with caring responsibilities. In Scotland this figure is 270,000 and equates to 1 in 8 people across the Scottish workforce having caring responsibilities, with this likely to increase significantly as the population gets older and people remain in the work for longer.

## **2. Purpose and Aims**

- 2.1 The purpose of this policy is to support the Board in managing carers leave requests with a clear, fair and transparent process, whilst supporting employees who are primary carers to balance home and caring commitments.
- 2.2 The policy aims to:
  - Demonstrate the Board's commitment to supporting employees who have caring responsibilities;
  - Provide support to help employees balance working and caring commitments;
  - Support the Board to identify and engage with employees who are carers to understand their daily challenges and seek to remove any barriers;
  - Raise awareness of support provisions available through the Board, for example, health and well-being and financial.
- 2.3 This policy compliments the Board's flexible working and special leave provisions already in place and will support employees who are primary carers with paid time off work.

## **3. Scope**

- 3.1 This policy applies to all Board employees.

## **4. Definition of a Carer and Carers Leave**

- 4.1 For the purpose of this policy, a carer is an employee who provides unpaid care to an ill, frail or disabled relative or partner. The employee is the primary carer and this is not the same as someone who provides care professionally or through a voluntary organisation.

4.2 Paid carers leave may be requested by employees with primary caring responsibilities. Although not an exhaustive list, some examples of when paid carers leave may be requested include:

- To manage an unplanned or temporary caring emergency assisting a relative or partner who is ill or injured and is unable to look after themselves;
- To make arrangements for the provision of care for a relative or partner who is ill or injured;
- To manage an unexpected breakdown of care arrangements for a relative or partner;
- To manage the transition from home to care home or hospital to home/care home;
- To provide support when caring for a terminally ill relative or partner;
- To manage the hospitalisation of a relative or partner.

## 5. Carers Register and Carers Leave

5.1 In order to qualify for paid carers leave, employees must firstly register themselves on the Board's Carers Register. This can be done by completing the registration form available at **Appendix 1**. To register employees must meet the qualifying criteria below:

- They are the primary carer;
- They have at least 26 weeks continuous service;
- Be able to provide evidence of their caring responsibilities and relationship through their GP or through their local Carers Centre such as Renfrewshire Carers Centre.

**If this type of evidence is not available, other forms of evidence that demonstrate a primary caring responsibility exists will be considered.**

5.2 The Carers Register will be held by the Board in full compliance with the General Data Protection Regulations. Placement on the register will be reviewed annually or following a change in circumstances. It will be the responsibility of the carer to inform the Board of any changes in circumstances.

5.3 Employees who are eligible can request a maximum of **1 week** paid carers leave in any leave year. Carers leave approved will be pro-rated in line with an employee's hours/work pattern. Requests for carers leave can be made in hours, half or full days or a complete week.

5.4 The Board provides access to other support for employees with caring responsibilities that may compliment or be an alternative to carers leave. These include the:

- Special Leave Policy;
- Flexible Working Policy, including reduction in hours, compressed hours, home working;
- Supporting Attendance Policy;



- Occupational Health and Employee Counselling;
- Annual Leave;
- Flexi time.

## **6. Making a request for Carers Leave**

6.1 Once listed on the Board's Carers Register, employees wishing to apply for carers leave should complete the form at **Appendix 2** and submit it to their line manager as soon as is practically possible. Employees must give reasonable notice to allow their manager to fairly consider their request. Key information the line manager will consider includes the following:

- The employee has applied to and is listed on the Carers Register;
- Confirmation that the employee is the primary carer and details of the caring relationship;
- Confirmation that they have 26 weeks continuous service;
- The amount of carers leave requested (hours/days/week);
- The date the carers leave will start and finish;
- Details of any shared carers leave with a spouse, partner, family member or friend who also works with the Board.

## **7. Considering a request and reaching a decision**

7.1 The line manager should discuss the request with the employee, taking into account the carer's personal circumstances. The line manager must clarify the reasons for the application and ensure that carers leave is the most appropriate option as other alternatives may be more suitable. Before reaching a decision on the request, the line manager should consider the following:

- The carers relationship to the relative or partner;
- The nature of the relative or partner's illness;
- The expected duration of the carers leave;
- The operational impact on service delivery and costs associated with any backfilling if required and/or whether work needs to be redistributed.

**Costs should be considered based on what is reasonable and fair, taking into account the circumstances of the request.**

7.2 Requests for Carers Leave must be recorded in the same way as Special Leave requests and the Payroll Section must be advised when carers leave has been approved.

7.3 If a line manager refuses a request for carers leave, the employee must receive from the line manager written confirmation providing the business reasons for the refusal. The manager's decision is final.

7.4 In the event that two employees of the Board share primary caring responsibilities for a relative, only one request for carers leave can be approved (unless the two employees are able to share the carers leave

provision of 1 week). For example, if a married couple have caring responsibilities for a relative, carers leave could be shared with one employee receiving three days and the other employee receiving two days.

## **8. Confidentiality**

- 8.1 Information relating to carers leave should be recorded, maintained and processed confidentially and securely. Information processed may include manual or electronic records and will be done so in line with the General Data Protection Regulations and will be used only to monitor the effectiveness of this policy.

## **9. Impact assessment**

- 9.1 This policy has been impact assessed in line with the Board's obligation to comply with the Equality Act 2010 and the Public Sector Equality Duty.

## **10. Monitoring and review**

- 10.1 This policy will be reviewed regularly and in line with any legislative and organisational changes. The recognised trade unions will be consulted on any future changes to this policy.

## APPENDIX 1 – CARERS REGISTER APPLICATION FORM

### RENFREWSHIRE VALUATION JOINT BOARD CARERS REGISTER APPLICATION FORM - HR&OD/CL/1



The Board's Carers Register is a list of employees who have identified themselves as primary carers. The purpose of the register is to help the Board identify primary carers to ensure that they receive appropriate support and information. Acceptance on the register is conditional upon employees meeting the qualifying criteria set out in the Carers Leave Policy (Section 5) and detailed on this form.

#### 1. Personal details

Name:

Designation:		Service:	
Work location:		Home Address:	
Employee number:		Work phone Number:	

#### 2. Application/Eligibility Criteria

I would like to apply to for inclusion on the Board's Carers Register. I am making this application as I have primary caring responsibilities as defined within the Carers Leave Policy (Section 5).

I confirm:

I am a primary carer for a relative/partner (in line with the Carers Leave Policy) ☐

I have provided evidence of my primary caring responsibilities from my GP/Carers Centre ☐

I have 26 weeks continuous service ☐

Please provide details if you share primary caring responsibilities with another Board

### 3. Consent and Declaration

I consent to you sharing this information with my line manager in the event that I request a period of carers leave.

I confirm that all information I have given on this application form for the Carers Register is accurate.

**Signature:**

**Date:**


### 4. GP/Carers Centre Confirmation

I confirm that \_\_\_\_\_ is a primary carer and regularly carries out primary caring responsibilities.

**GP/Carers Centre Signature or Stamp:**

**Date:**

## APPENDIX 2 – CARERS LEAVE REQUEST FORM

<b>RENFREWSHIRE VALUATION JOINT BOARD</b> <b>CARERS LEAVE REQUEST FORM - HR&amp;OD/CL/2</b>			
<b>Note to the employee</b>			
<p>This form should be used to make a request for paid Carers Leave. Please ensure all sections are completed before sending to your line manager for their consideration.</p>			
<b>Note to the line manager</b>			
<p>On receiving a request for paid carers leave, the line manager should discuss the request with The employee, taking into account the carer's personal circumstances. The line manager must clarify the reasons for the request with the employee and ensure that carers leave is the most appropriate option. Before reaching a decision on the request, the line manager should consider the following:</p> <ul style="list-style-type: none"> <li>the carers relationship to the relative or partner;</li> <li>the nature of the relative or partner's illness;</li> <li>the expected duration of the carers leave;</li> <li>the operational impact on service delivery and costs associated with any backfilling if required and/or whether work needs to be redistributed.</li> </ul>			
<b>1. Personal details</b>			
Name:			
<b>Designation:</b>		<b>Service:</b>	
<b>Work location:</b>		<b>Home Address:</b>	
<b>Employee number:</b>		<b>Work phone Number:</b>	
<b>2. Carers Leave Request</b>			
<p>I confirm I am eligible to apply for paid Carers Leave and I <span style="color: red;">am</span> listed on the Carers Register as per Section 5 of the Carers Leave Policy.</p> <p>I would like to request paid Carers Leave as detailed below:</p>			
<b>Start Date</b>	<b>End Date</b>	<b>No of days <span style="color: red;">or hours</span> requested</b>	<b>Reason for Request</b>

### 3. Carers Leave Request Form Declaration

I confirm that all information I have given on this form is accurate. If this request is found not to be genuine the Board's Disciplinary Procedures will be applied.

**Signature:**

**Date:**

### 4. Outcome of Carers Leave request – To be completed by the line manager

**Manager Name:**

**Designation:**

**Request  
Approved/Declined**

**If the request is declined, please provide the reason:**

**Board's Personnel  
Practitioner:**

I have checked that the employee is listed on the Carers Register and meets the qualifying criteria.

**Signature:**

**Date:**

**Date passed to  
Service Co-  
ordinator:  
(if approved)**