



Renfrewshire Valuation Joint Board

Notice of Meeting and Agenda Renfrewshire Valuation Joint Board

Date	Time	Venue
Friday, 30 June 2017	14:00	The Robertson Centre, 16 Glasgow Road, Paisley, PA1 3QF

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).

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 www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx

For further information, please either email 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 reception where they will be met and directed to the meeting.

Items of business

The Clerk of the Joint Board will preside prior to the election of the Convener.

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.

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- 2 Appointment of Depute Convener**
- 3 Membership** **5 - 6**
Report by Clerk.
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Report by Clerk and Treasurer.
- 6 Minute of Joint Board** **19 - 24**
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- 7 Minutes of Appointments Board - Assessor and Electoral** **25 - 28**
Registration Officer
Minutes of meetings of the Appointments Board - Assessor and Electoral Registration Officer held on 6 and 17 February 2017.
- 8 Service Review** **29 - 30**
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Renfrewshire Valuation Joint Board

To: Renfrewshire Valuation Joint Board

On: 30 June 2017

Report
by
Clerk

MEMBERSHIP

1. Summary

- 1.1 At the statutory meetings of the constituent authorities the undernoted members and substitutes were appointed to the Renfrewshire Valuation Joint Board:-

East Renfrewshire Council

Councillors Angela Convery, Danny Devlin, Charlie Gilbert and Paul O'Kane.

East Renfrewshire have appointed the remaining 14 councillors as substitute members.

Inverclyde Council

Councillors Graeme Brooks, Colin Jackson, Tommy McVey and Innes Nelson.

Councillors John Crowther, Michael McCormick, Drew McKenzie and David Wilson have been appointed as substitute members.

Renfrewshire Council

Councillors Tom Begg, Jacqueline Cameron, Audrey Doig, Kenny MacLaren, Mags MacLaren, John McIntyre, Jim Sharkey and Andy Steel.

Councillors Bill Brown, Scott Kerr and Jane Strang have been appointed as substitute members. Five substitute members have still to be appointed.

2. Recommendation

- 2.1 That the appointments be noted.

Renfrewshire Valuation Joint Board



Renfrewshire Valuation Joint Board

Serving:- East Renfrewshire, Inverclyde and Renfrewshire

Assessor and Electoral Registration Officer
The Robertson Centre, 16 Glasgow Road, Paisley PA1 3QF

Who we are and what we do

Introduction

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. It 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.

The composition of the membership of the Board is determined by the above Order and consists of 8 Councillors representing Renfrewshire Council and 4 each representing East Renfrewshire and Inverclyde Councils.

In order to carry out the valuation and registration functions, the Joint Board is required by law to appoint an Assessor who is an independent statutory official and who will also be a Chartered Surveyor. The Assessor has also been appointed by the three constituent councils as Electoral Registration Officer. In pursuit of these duties the Assessor and Electoral Registration Officer is answerable to the Courts in terms of valuation or registration decisions.

The Joint Board, through the office of the Assessor and Electoral Registration Officer and his staff, carry out three main functions:

1. To produce and maintain the Valuation Roll which sets out the rateable values of all *"lands and heritages"* (except where excluded by statute) for rating purposes.
2. To prepare and maintain the Register of Electors.
3. To produce and maintain the Valuation List which sets out the banding of all dwellings for Council Tax.

The Board has a staff complement of 45, on a Full time Equivalent this becomes 43.3. A Service Review is about to commence following the retirement of the previous Assessor.

The valuation staff employed by the Assessor are Chartered Surveyors or property assistants and the clerical staff are expected to have a thorough working knowledge of electoral law and procedures and a working knowledge of valuation and council tax procedures; some staff have or are currently pursuing a formal qualification via the Association of Electoral Administrators.

Additionally, the Assessor and his senior staff are members of the Scottish Assessors' Association (SAA). The Association was instituted in 1975 at the time of local government reorganisation and is the successor body to the Association of Lands Valuation Assessors of Scotland. A voluntary organisation, the Association aims to facilitate, through a series of Committees and associated Working Parties, a consistency of approach in the administration of the valuation, council tax and electoral registration services. With volunteers in each office writing Practice Notes to cover all types of Non domestic property which will be used across Scotland to ensure a consistency of approach in our methods of valuation for each Revaluation, in this case for the 2017 Revaluation.

The SAA also liaises, through regular harmonisation meetings, with the Valuation Office Agency (VOA) in England and Wales, the Northern Ireland Valuation and Lands Agency (NIVLA) and the Republic of Ireland's Valuation Office (RIVO). This allows, where appropriate, a unified approach to matters of common interest.

The Association has allowed all fourteen Assessors to work together efficiently towards improving service delivery; an example being the SAA Web-Portal that allows ratepayers, taxpayers and the public at large to view Non-Domestic Valuations, Council Tax Bands and background information. There is also the facility to lodge appeals or make returns of rental information to the Portal.

The Portal also has a “private” area which has restricted access but is available to central and local government plus organisations such as General Registrar for Scotland and Registers of Scotland. The information contained in this private area is proving increasingly valuable in assisting these bodies in delivery of their services.

The Valuation Roll

The Valuation Roll is a public document which contains an entry for all non-domestic properties in the Assessor’s area except those specifically excluded by law. Each entry in the Roll includes the names, as appropriate, of the proprietor, tenant and occupier, the Net Annual Value which has been set by the Assessor and the Rateable Value. The Rateable Value is derived from the Net Annual value and, as legislation currently stands, for the majority of properties, Rateable Value and Net Annual Value are the same. Rateable Value is statutorily defined and is, in broad terms, the rent that the property might reasonably achieve on the open market at a given date or “tone” date (currently, 1st April 2015) based on a full repairing and insurance letting.

Since 1st April 2010, the Assessor has the additional responsibility of being the “Designated Assessor” in terms of the valuation of fixed-line or fibre network telecommunications (other Assessors are Designated for other utilities such as Electricity and Water). This means that, for the companies named in the Order, a single entry for their Scottish operations is made in the Valuation Roll for Renfrewshire Council and this replaces the various local valuations that existed prior to that date. The companies include British Telecommunications plc, Cable & Wireless and Virgin Media etc.

Values are established every five years at Revaluation which (since 1990) takes place at the same time throughout Scotland, England and Wales. Revaluation results in the production of a new Valuation Roll which contains revised values for all non-domestic properties in the Assessor’s area. However, following a government decision the 2015 Revaluation was postponed to 2017 in Scotland, England & Wales.

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 are added to the Roll as they become occupied and entries for demolished buildings are deleted. Such changes will be reflected in what is known as the “Running Roll” or a series of updates to the Valuation Roll in force. The Assessor is required to notify proprietors, tenants and occupiers of all changes which he makes to the Valuation Roll by issuing a Valuation Notice.

Revaluations allow the rateable value of property to closely follow changes to the general levels of rental value and ensures that rises or falls in rental value are properly reflected. The revaluation process is a constant cycle of events which has resulted in the 2017 Revaluation being completed and now in effect from 1st April 2017.

As at 1 June 2017, the number and value of properties in the Board area was as follows:

Council Area	Number of Properties	Total Rateable Value
East Renfrewshire	1,752	£43,257,466
Inverclyde	2,342	£57,297,842
Renfrewshire	6,498	£316,774,378
Board Area	10,592	£417,329,686

Following the 2017 Revaluation the subjects covered by our designation as the Assessor for Fixed Line Telecommunications sees us involved in discussions with the industry, their representatives and our colleagues in the Valuation Office Agency in England. Discussions on the 2017 valuations will take place over the coming months and if agreement cannot be reached cases will need to be prepared and run, most probably in England, with input from ourselves. If these appeals do proceed they will require significant resources in both time and money.

Appeals:

Ratepayers and others with an interest in the property can lodge appeals if they disagree with the level of value. An appeal can be lodged at any time although there are restrictions on when such appeals will be considered competent:

1. In the six months following a revaluation, in this case by 30th September 2017.
2. Within six months of becoming proprietor, tenant or occupier of a property.
3. If there has been a material change of circumstances that affects value.
4. If there has been an error.

A major part of the Assessor's work relates to the disposal of these appeals which are governed by statutory deadlines that must be adhered to. The largest proportion of appeals results from the revaluation cycle although "Running Roll" appeals will also be lodged against changes to Valuation Roll between each revaluation or if there is a perceived material change of circumstances.

The vast majority of these appeals are dealt with by negotiation. The remainder will be decided by the Local Valuation Appeal Panel or, in a small number of complex cases, by the Lands Tribunal for Scotland. All appeal outcomes can be further appealed - by both parties - to the Lands Valuation Appeal Court which is part of the Court of Session.

The Chartered Surveyors employed by the Assessor are required to act as expert witnesses in any appeal hearing and more senior staff may be required to lead these appeals which will involve examination of their own witnesses and cross-examination of appellant or appellant's witnesses. In the event that appeals are heard by the Lands Tribunal or Lands Valuation Appeal Court, the senior staff may be required to brief legal counsel employed to conduct the case.

The previous revaluation carried out in 2010 resulted in 3,401 entries in the Valuation Roll being under appeal. The vast majority of these appeals were settled without the necessity of an appeal hearing, with almost 85% of these appeals being settled without adjustment to value. The 2017 Revaluation is expected to produce a similar number of appeals, although this cannot be confirmed until the last date for lodging appeals (30/09/17) has passed. This requires logging and acknowledging of these appeals and then the process of asking the

Valuation Appeal Panel to begin citing them. It is anticipated that disposal of the 2017 Revaluation appeals will most probably start in the Spring of 2018, however, this is a matter for the local VAC.

We have been the authors of a number of Practice Notes for the SAA, covering such subjects as Retail Warehouses, Stand Alone Restaurants and Petrol Filling Stations to name a few. As authors of these Practice Notes which are used nationally throughout Scotland we will be expected to take the lead in any appeals which may proceed against any of these practice notes we have authored.

In addition to the revaluation appeals outlined above, there are also running roll appeals that require to be disposed of. In the normal course of events, the total of 334 Running Roll appeals for last year 2016/17 is typical of the number that might be received in any one year and these are disposed of throughout the year by discussion and where agreement cannot be reached by proceeding to the Local Valuation Appeal Panel.

The Council Tax Valuation List

The Assessor is responsible for the preparation and maintenance of the Council Tax Valuation List, which places each domestic subject or ("dwelling") in one of eight valuation bands.

The band that the dwelling is allocated to reflects the Assessor's opinion of the property's open market value as at 1 April 1991, but taking account of its physical state and its locality as at 1 April 1993.

For any new dwellings entering the List, the date of valuation remains 1st April 1991 although account is taken of the current physical state and location of the property.

All valuations are subject to a number of important statutory assumptions such as:

- Available for sale on open market with willing buyer and seller
- In a state of reasonable repair

Dwellings

In general and provided it is used as such, any kind of house or flat will count as a dwelling including second homes that are not let on short term basis as holiday homes. Self-Catering establishments will be entered in the Valuation Roll as commercial subjects provided they are available for let for a defined minimum number of weeks per annum.

Any dwelling exempt from the Council Tax List will appear in the Valuation Roll.

Some properties may be "apportioned" between the Council Tax List and the Valuation Roll. An example might be a Boarding House where part of the building is reserved for the operator's own use. In such an example, the Boarding House portion will enter the Valuation Roll and the operator's own accommodation will be in the Council Tax List

Caravans count as dwellings if they are someone's main home.

Certain properties in multiple occupation, where facilities are shared, may count as one or more dwellings depending on the detailed occupation arrangements.

The number of dwellings in each Band is as follows (May 2017):

Band	A	B	C	D	E	F	G	H	Total
East Renfrewshire	1,343	5,232	4,013	6,518	8,267	6,146	6,376	723	38,618
Inverclyde	18,976	5,894	3,512	3,349	3,529	1,913	1,428	214	38,815
Renfrewshire	13,690	25,625	14,542	11,904	10,628	6,006	3,571	218	86,184
Total	34,009	36,751	22,067	21,771	22,424	14,065	11,375	1,155	163,617

Alterations to Bands

In the normal course of events, the band allocated to a dwelling will not change even although the sale price of the house might rise or fall. There are exceptions to this:

Material Reduction:

This may result from the demolition of any part of the dwelling, any change in the physical state of its locality or any adaptation of the dwelling to suit a person who is physically disabled.

Material Increase:

This may result from building, engineering or other works carried out on the dwelling. Any change in the Council Tax band following on a material increase in value will only take effect after the property is next sold and only if the effect of the works would have placed the house in a different band in 1991.

Appeals and Proposals:

This is slightly different from Valuation Roll appeals in that there is no statutory timeline in terms of their disposal. The first stage is a "Proposal" to alter the band is made by the taxpayer or owner of the property. Once a proposal is lodged, the Assessor will contact the taxpayer in order to discuss the matter. As with Valuation Roll appeals, any appeal that cannot be settled by negotiation will be heard by the Valuation Appeal Committee and any further appeals (on points of law only) will be heard by the Court of Session.

New Houses / Demolitions:

The bulk of the work carried out in relation to Council Tax is the maintenance of the Valuation List to reflect addition of new houses and the demolition of houses.

Renovation work carried out by Housing Associations may also require changes to be made if, for example, 3 houses are made into 2.

It is important to note that any new houses being added are allocated to a band that reflects the price that the Assessor estimates that the house would have achieved on the market in 1991, taking into account the physical and geographic, etc. features of the property to be valued with those of houses which actually sold around the valuation date. In other words, the Assessor uses a comparative method of valuation.

Indices are not used in arriving at this valuation. There is a popular misconception that indices such as the "Nationwide House Price Index" provide an accurate method of backdating a current sale. This is not the case; the use of indices to backdate sale prices is fraught with difficulty. Unless the index takes account of the specific features of the local market conditions prevailing at the relevant dates, price adjustment in this way will be inaccurate.

The Register of Electors

The Register of Electors contains details of everyone who has registered to vote. It is used to determine who can vote at elections while the Register is in force. A new Register is published at least once a year, no later than 1st December. A revised version may be published at other times if, for example, major changes are made to the Register in the course of the year.

The Electoral Registration Officer

It is the duty of the Electoral Registration Officer (ERO) to prepare and maintain the Register of Electors. The ERO is appointed by each of the local authorities that comprise Renfrewshire Valuation Joint Board.

Maintenance of the Electoral Register:

The Register comes into force on 1st December in any given year and is updated on a monthly basis (except during the months of September, October and November) to reflect changes in people's circumstances as they occur.

The maintenance of the Register, following the introduction of Individual Electoral Registration in September 2014, is becoming an increasingly complex, expensive and time-consuming operation. One of the principal reasons behind this is the fact we can no longer use local data as a source to match electors to a household. However, the Cabinet Office are at present organising pilot projects to look at ways to reduce the overall canvass cost and assist ERO's to deliver as full a register as possible.

Rolling Registration:

There are always sufficient changes to ensure that revised versions of the Register are published in the months between the Annual Canvass periods. For example, in any month, an average of 400 houses are bought and sold in the Board area. This will result in, at the very least, 400 changes per month. Add to this other major changes and it can be seen that there will always be a considerable number of changes to process, publish and notify. In the current year, 21,735 changes (additions and deletions) were made between January and May resulting in a net increase of 6,649 electors. This is typical of the volume of changes made each year.

Postal Voting:

There is an increasing appetite for the use of the Postal Vote facility. Electors must apply individually and in writing and can have a Postal Vote for one election or in perpetuity. The number of electors with postal votes at the recent Local Government Election was 53,783 (20.35% of the electorate). This does impose additional overheads on the Board's business, particularly in the run-up to an election when a considerable number of applications are made. This is further complicated by the number of overseas electors who may be eligible to vote at certain elections as we have the responsibility of ensuring their applications are processed in time to allow them to participate.

Detailed Statistics are available in the Electoral Registration Annual Report .

Contacts/Links:

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Scottish Assessors Web Portal	www.saa.gov.uk

RENFREWSHIRE VALUATION JOINT BOARD

To: Renfrewshire Valuation Joint Board

On: 30 June 2017

Joint report by
the
Clerk and Treasurer

Remuneration of Elected Members who are appointed Conveners and Vice Conveners of Joint Boards

1. Summary

- 1.1 The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (hereafter referred to as “the 2007 Regulations”) introduced a system of remuneration for elected members which created four grades of councillors for the purposes of calculating remuneration: (i) the leader of the council, (ii) the civic head, (iii) senior councillors; and (iv) councillors. The yearly remuneration for councillors who are not being paid as leader of the council, civic head or senior councillor is set at a fixed rate (that rate being £16,927 from 5 May 2017).
- 1.2 Each local authority has been banded within Band A, Band B, Band C or Band D for the purposes of payment of remuneration to councillors. East Renfrewshire and Inverclyde Councils are Band A councils and are restricted to a maximum of 9 senior councillors per authority; Renfrewshire Council is a Band B council and is restricted to a maximum of 14 senior councillors.
- 1.3 The 2007 Regulations relate specifically to Scottish local authorities, to fire and rescue joint boards, to police joint boards and to “other” joint boards as defined under prevailing statutes, of which the Renfrewshire Valuation Joint Board is one.
- 1.4 The convener of a joint board shall be paid a total yearly amount of £21,160 which is equivalent to 75 per cent of the salary of the leader of a Band A Council, inclusive of any amount payable to the convener as a councillor or senior councillor.
- 1.5 A vice convener of such a joint board shall be paid a total yearly amount of £20,102, again inclusive of any amount payable to a vice convener as a councillor or senior councillor. The vice convener’s salary is calculated on the basis of the basic salary plus 75 per cent of the difference between the basic salary and the convener’s salary.

- 1.6 If the convener or vice convener is already a senior councillor in his/her own authority and would receive a higher salary as a senior councillor than as convener or vice convener of a joint board, the higher salary should be paid.
- 1.7 The Regulations expressly provide that where remuneration is paid by a council to any conveners and vice conveners of joint boards these additional payments shall not be included in the calculation of the maximum number of senior councillors to which remuneration may be paid.

2 Recommendations

- 2.1 That the Joint Board notes the introduction of The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007;
- 2.2 That it be noted that if the convener and vice convener of the joint board are senior councillors within their own authority, and their remuneration is equal to or greater than £21,160 or £20,102 respectively for the convener and vice convener, that they will be paid at this higher salary.
- 2.3 That it be noted that if the convener and vice convener are not senior councillors within their respective authorities, they will be paid £21,160 and £20,102 respectively; the difference from these amounts and the basic councillor salary being payable by their respective authority as per the relevant regulations.



Renfrewshire Valuation Joint Board

Minute of Meeting Renfrewshire Valuation Joint Board

Date	Time	Venue
Friday, 20 January 2017	14:00	The Robertson Centre, 16 Glasgow Road, Paisley, PA1 3QF

PRESENT

Provost Carmichael and Councillors O’Kane, Green and Gilbert (East Renfrewshire Council); Councillors Brennan, Nelson and Shepherd (Inverclyde Council); and M Sharkey, Hood, McGee, Caldwell (substitute for Councillor Bibby), Audrey Doig and Mullin (Renfrewshire Council).

CHAIR

Councillor Mullin, Convener, presided.

APOLOGIES

Councillors Loughran (Inverclyde Council); and Williams and Bibby (Renfrewshire Council).

IN ATTENDANCE

A MacTaggart, Assessor & Electoral Registration Officer, K Crawford, Depute Assessor & Electoral Registration Officer, L Hendry, Divisional Assessor & Assistant Electoral Registration Officer and J Murgatroyd, Divisional Assessor and Assistant Electoral Registration Officer (all Renfrewshire Valuation Joint Board); A MacArthur, Head of Finance and E Currie, Senior Committee Services Officer (both Finance & Resources, Renfrewshire Council) and M Ferris, Senior Audit Manager and S Afzal, Trainee Auditor (both Audit Scotland).

DECLARATIONS OF INTEREST

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

ADDITIONAL ITEM

The Convener intimated that there was an additional item in relation to the Service Plan which had not been included in the notice calling the meeting. The Convener, being of the opinion that the item which is dealt with at item 9 below, was urgent in view of the need to advise members of the position, authorised its consideration.

Prior to the start of the meeting the Convener welcomed M Ferris, Senior Audit Manager and S Afzal, Trainee Auditor, both Audit Scotland, to the meeting.

1 MINUTE

There was submitted the Minute of the meeting of the Joint Board held on 18 November 2016.

DECIDED: That the Minute be approved.

2 REVENUE BUDGET MONITORING

There was submitted a report by the Treasurer in respect of the Joint Board for the period 1 April 2016 to 20 January 2017.

The report intimated that gross expenditure was £82,000 over budget and income was currently £6,000 over recovered resulting in a net overspend of £76,000.

The projected year-end position was a deficit of £110,200 resulting in a draw on reserves of £219,700 compared to a budgeted draw on reserves of £109,500. This was as a result of low staff turnover, higher than anticipated overtime costs, increased printing and postage costs and an income reduction of £54,720 from the Cabinet Office to fund Individual Electoral Registration (IER). The Joint Board were examining ways to minimise the deficit and were awaiting a response from the Cabinet Office regarding additional funding.

DECIDED: That the report be noted.

3 REVENUE ESTIMATES 2017/18

There was submitted a report by the Treasurer relative to the revenue estimates for the Joint Board for the financial year 2017/18 and the establishment of the 2017/18 requisition.

The report intimated that it was recognised that over the medium term, local government in Scotland was likely to face a further contraction in resources relating predominantly to the provision of revenue grant from the Scottish Government. In this context the Joint Board would continue to seek operational savings where possible and also continue to assess service delivery to ensure it remained sustainable and affordable. The Scottish Government had announced the local government settlement position for 2017/18 on 15 December 2016.

The report proposed that the overall requisition levels be £2,158,000 which was a 2.5% reduction against 2016/17 requisition levels. The budget had been constructed on the basis of assumptions detailed in the report. The allocation of the requisition amongst the constituent authorities would be based on the percentage proportions of the Grant Aided Expenditure (GAE) as detailed in the report.

Appendix 1 to the report detailed the revenue estimates 2017/18 for the Joint Board and the requisitions for constituent authorities were detailed in Appendix 2 to the report.

The Assessor and Electoral Registration Officer indicated the pressures facing electoral registration and valuation matters. He further intimated that the budget for 2017/18 was manageable although any additional costs in relation to appeals would cause considerable difficulty or would deplete the reserves to a dangerously low level leaving little for unexpected costs such as complex litigation. The Assessor and Electoral Registration Officer also advised that any reduction in funding below that indicated for 2017/18 could only be achieved by reductions in staffing levels. This would be unaffordable in terms of the level of reserves necessary to fund voluntary release and it would lead to significantly greater risk in terms of sustainability.

DECIDED:

(a) That the 2017/18 revenue estimates, as detailed in Appendix 1 to the report, and the requisitions for constituent authorities, as detailed in Appendix 2 to the report, be approved;

(b) That it be noted that the 2018/19 revenue budget and associated requisition levels would be developed once constituent council grant levels had been confirmed;

(c) That the Assessor and Electoral Registration Officer continue to review service delivery to ensure the service remained sustainable and affordable in the context of the local government financial environment and work with the Treasurer in this regard to ensure reserves remained appropriate to the financial risks facing the joint Board; and

(d) That the constituent authorities be notified of the requisitions required for 2017/18.

4 AUDIT SCOTLAND ANNUAL AUDIT PLAN 2016/17

There was submitted a report by the Treasure relative to the annual audit plan 2016/17 for the Joint Board which outlined Audit Scotland's planned activities in their audit for the 2016/17 financial year.

The report highlighted that the annual audit plan 2016/17 included a section on Audit Issues and Risks and that within this section Audit Scotland had identified a risk of 'management override of controls'. This risk had been included in the audit plans of all bodies which Audit Scotland worked with, in light of updated international standards on auditing. The inclusion of this risk was not a reflection of increased risk within the Joint Board and Audit Scotland had confirmed that they had not found any issues on this in previous years.

DECIDED: That Audit Scotland's annual audit plan 2016/17 be noted.

5 ELECTORAL REGISTRATION UPDATE

There was submitted a report by the Assessor and Electoral Registration Officer providing an update on electoral registration matters and advising of current activities and issues facing the Joint Board.

The report intimated that the Annual Canvass concluded in November 2016 and the Registers were published on 1 December 2016 using the existing ward boundaries. The Registers would be republished on 1 February 2017 using the revised ward boundaries. Table A of the report detailed the total electorate by council ward and Table B detailed the total electorate by revised council ward for the Joint Board area.

The report provided information in relation to a refresh of the absent voter identifiers; canvassing; absent voters and the Local Government Elections to be held on 4 May 2017.

DECIDED: That the report be noted.

6 PERFORMANCE REPORT

There was submitted a report by the Divisional Assessor & Assistant Electoral Registration Officer covering the first nine months of the rating year and providing an update on the current performance and workload issues facing the Joint Board.

The report detailed the performance in Council Tax and non-domestic valuation against set targets. In relation to Council Tax valuation, it was noted that the addition of new houses to the Valuation List and the deletion of demolished houses remained a priority with the time taken to enter new houses into the Valuation (Council Tax) List exceeding the target of 95% within three months and marginally missing the target of 99.5% 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 and 31 December 2016 and also the number of deletions from the Valuation (Council Tax) List between 1 April and 31 December during 2015 and 2016 by constituent authority area.

The report detailed the number of statutory amendments to the Valuation Roll, excluding appeal settlements and amendments to the prescribed entries, between 1 April and 31 December 2016 by constituent authority area, which fell below the target of 80% to be actioned within three months but exceeded the target of 95% within six months.

DECIDED: That the report be noted.

7 2017 NON DOMESTIC RATING REVALUATION PROGRESS REPORT

There was submitted a report by the Divisional Assessor & Assistant Electoral Registration Officer relative to the work being undertaken in preparation for the 2017 Non-domestic Rating Revaluation which would come into effect on 1 April 2017.

The report intimated that the Lands Valuation (Scotland) Act required that the Assessor & Electoral Registration Officer value or revalue all of the lands and heritages in his valuation area. These valuations were to be totally fresh and relate to rental levels prevailing at the statutory 'tone date' of 1 April 2015. The report advised that the revaluation had been completed on schedule with a total number of subjects revalued at the present time amounting to 10,406.

The proposed values and draft practice notes in connection with the 2017 revaluation were now available on the Scottish Assessors Association portal which provided all Scotland Valuation Rolls and Council Tax lists on-line.

A detailed analysis of all non-domestic subjects within the Joint Board area grouped by statistical categories used by the Scottish Government formed the appendix to the report.

DECIDED: That the report be noted.

8 STAFFING CHANGES

Under reference to item 12 of the Minute of the meeting of this Joint Board held on 19 August 2016 there was submitted a report by the Depute Assessor & Electoral Registration Officer relative to the appointment of Yasmin Gray and James Fraser as Property Assistants on a permanent basis.

DECIDED: That the report be noted.

9 SERVICE PLAN 2015/16

There was submitted a report by the Depute Assessor and Electoral Registration Officer relative to the updated Service Plan 2015/18 for the Joint Board.

The report intimated that the plan was updated regularly to ensure it reflected the most recent changes in circumstances facing the Joint Board.

DECIDED: That the updated Service Plan 2015/18 for the Joint Board be approved.

10 DATE OF NEXT MEETING

DECIDED: That the next meeting of the Joint Board be held at 2.00 pm on Friday 30 June 2017 within the Robertson Centre, Glasgow Road, Paisley.

VALEDICTORY

Councillor Mullin thanked members of the Joint Board and the staff of the Joint Board and Renfrewshire Council for their contribution to the work of the Joint Board and for their assistance to him during his period as Convener. He thanked Alasdair for his contribution to the work of the Joint Board and for his hospitality and friendship during his period as Convener and wished him well in his forthcoming retirement.

Councillor O'Kane thanked the Convener, members of the Joint Board and staff of the Joint Board and Renfrewshire Council for their contribution to the work of the Joint Board and for their assistance to him during his period as Depute Convener.

Councillor Audrey Doig also thanked members of the Joint Board and the staff of the Joint Board and Renfrewshire Council for their contribution to the work of the Joint Board and for their assistance to her during her period as Convener.

On behalf of the Joint Board they all paid tribute to Alasdair for his contribution to the work of the Joint Board and for his hospitality and friendship and wished him well in his forthcoming retirement.

Alasdair MacTaggart thanked the Convener, Depute Convener, members of the Joint Board and the staff of the Joint Board and Renfrewshire Council for their assistance to him during his period as Assessor and Electoral Registration Officer.



Renfrewshire Valuation Joint Board

Minute of Meeting

Appointment Board - Assessor and Electoral Registration Officer

Date	Time	Venue
Monday, 06 February 2017	14:00	The Robertson Centre, 16 Glasgow Road, Paisley, PA1 3QF

PRESENT

Provost Carmichael (East Renfrewshire Council); Councillors Shepherd (Inverclyde Council); and Bibby, Audrey Doig, Mullin and M Sharkey (Renfrewshire Council).

CHAIR

Councillor Mullin, Convener, presided.

IN ATTENDANCE

A MacTaggart, Assessor & Electoral Registration Officer and R Laouadi, HR Manager (Renfrewshire Council).

APOLOGIES

Councillors O'Kane (East Renfrewshire Council) and Loughran (Inverclyde Council).

DECLARATIONS OF INTEREST

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

EXCLUSION OF PRESS AND PUBLIC

The Board resolved that the press and public be excluded from the meeting during consideration of the following item of business as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there could be disclosure to them of exempt information as defined in paragraph 1 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973.

1 APPOINTMENT OF ASSESSOR AND ELECTORAL REGISTRATION OFFICER - SHORT LEET

There were submitted copies of the forms of application for the candidates for the post of Assessor and Electoral Registration Officer. The Board considered the applications in detail and agreed the short leet of candidates who would be invited to attend the interviews to be held on 17 February 2017.

DECIDED: That the candidates as agreed be short-leeted to attend the interviews to be held at the meeting of the Board to be held on 17 February 2017.



Renfrewshire Valuation Joint Board

Minute of Meeting

Appointment Board - Assessor and Electoral Registration Officer

Date	Time	Venue
Friday, 17 February 2017	10:00	The Robertson Centre, 16 Glasgow Road, Paisley, PA1 3QF

PRESENT

Councillors O’Kane (East Renfrewshire Council); Shepherd and Loughran (Inverclyde Council); and Bibby, Audrey Doig and Mullin (Renfrewshire Council).

CHAIR

Councillor Mullin, Convener, presided.

IN ATTENDANCE

A MacTaggart, Assessor & Electoral Registration Officer and R Laouadi, HR Manager (Renfrewshire Council).

APOLOGIES

Provost Carmichael (East Renfrewshire Council) and M Sharkey (Renfrewshire Council).

DECLARATIONS OF INTEREST

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

EXCLUSION OF PRESS AND PUBLIC

The Board resolved that the press and public be excluded from the meeting during consideration of the following item of business as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there could be disclosure to them of exempt information as defined in paragraph 1 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973.

1 APPOINTMENT OF ASSESSOR AND ELECTORAL REGISTRATION OFFICER - INTERVIEWS

The Board interviewed candidates for the post of Assessor and Electoral Registration Officer.

DECIDED: That Kate Crawford be appointed to the post of Assessor and Electoral Registration Officer.



Renfrewshire Valuation Joint Board

Report to: Renfrewshire Valuation Joint Board

Meeting on: 30th June 2017

Subject: Service Review

Author: Divisional Assessor & Assistant Electoral Registration Officer

1.0 Introduction

This report is to provide members with an update on the Service Review which was agreed to be undertaken by the Assessor on behalf of the Board to review the operation of the statutory functions to ensure the efficient delivery of these services.

2.0 Service Review

The aim of the review will be to highlight areas of best practice and, potentially, opportunities for improved working processes which may require investment from the Board's three constituent authorities to realise savings in the longer term.

Meetings have taken place with Renfrewshire Council's Workforce Planning Team and a report on the progress of this will be brought to a future Board meeting for consideration, once all interested parties have been consulted.

2.1 First Stage - Document Management System

As a result of the initial investigations for the Service Review, the Assessor has identified the requirement for a Document Management System (DMS). This would allow the Assessor to electronically create, index, track, manage, store and retrieve existing mail, files and documents.

A cost benefit analysis was undertaken and the savings from bringing in a DMS will immediately save the Board in the short term, by reduced printing costs, stationery savings and in the longer term, e.g. streamlining workflows. Also staff would be operating one system to carry out most work processes, allowing the Board to phase out a number of current operational practices which would result in further cost savings.

In addition operating a DMS would ensure compliance with our Data Retention Schedule as well as minimising the risk to the Board carrying out statutory functions in the event of a disaster. It also feeds into our Disaster Recovery Plan. In terms of RVJB's Records Management Plan, which was agreed with the Keeper of the Records of Scotland in 2016 on an improvement model basis, the implementation of a DMS would allow one of the agreed future developments to be completed.

Renfrewshire Council was responsible for the Procurement Process on behalf of the Board and the contract to deliver the DMS has been awarded to Capital Document Solutions Ltd. The contract will commence on the 1st July 2017 and will expire on 30th June 2018. There is an option to extend the Support and Maintenance element of the contract for one year.

2.2 Planned Future Changes

The Assessor, in her role as Electoral Registration Officer and as part of the Service Review, has also highlighted the possible purchase of an Electoral Management System (EMS). An EMS would ensure the Board is resilient against changes in the political landscape e.g. a snap election and would minimise the complexity that Individual Electoral Registration brings to the Registration process. It would also facilitate a streamlined process for information sharing with the three Returning Officers of the Board's constituent authorities.

The IT department of Renfrewshire Valuation Joint Board is also exploring changes to the business software currently being used in line with the modernisation programme currently being carried out by Renfrewshire Council.

3.0 Recommendations

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

Lindsey Hendry
Divisional Assessor & Assistant ERO
15 June 2017

For further information please contact Lindsey Hendry at 0141-618-5927 or via email at lindsey.hendry@renfrewshire-vjb.gov.uk

RENFREWSHIRE VALUATION JOINT BOARD

To: Renfrewshire Valuation Joint Board

On: 30 June 2017

Report by: The Treasurer

Heading: Unaudited Annual Accounts 2016-17

1. Summary

- 1.1. The attached Annual Accounts for the year ended 31 March 2017 have been completed and forwarded to Audit Scotland for audit.
- 1.2. The Accounts show a deficit for the year of £152,378 compared to a budgeted deficit of £109,500, returning an overspend of £42,878. Further comments on the Accounts are shown on Pages 4 to 6 of the report.
- 1.3. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, and in a change to previous practice, the unaudited accounts have only been signed by the Treasurer as proper officer. The audited accounts will be signed by the Convener and the Assessor, as well as the Treasurer, in accordance with the new guidelines.

2. Recommendations

- 2.1. The Joint Board is asked to note the Accounts and that, once the audit has been completed, the audited Accounts will be further presented to the Joint Board.
-



Renfrewshire Valuation Joint Board

Annual Financial Statements 2016/17

**Renfrewshire Valuation Joint Board
Annual Accounts 2016/17**

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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 Service Plan was updated and approved by the Board in January 2017. The Annual update to this plan has also been completed and uploaded to our website.

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".

Valuation

During 2016/17 the main focus of work has been preparing for the Revaluation of Non Domestic property which came into effect on the 1st of April 2017. This has involved the Valuation Staff analysing information and re valuing all 10,350+ non domestic subjects. All of this had to be finalised and be ready to "go live" from mid-March 2017.

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. The Revaluation of Telecoms Subjects is a costly exercise, largely arising from the cost of harmonisation across UK with regular meetings in London between SAA, VOA, the Telecoms Companies and Economic Advisors. Significant values in the region of £80m are involved and the risk

Renfrewshire Valuation Joint Board Annual Accounts 2016/17

from not properly resourcing the work would be inaccurate and/or unsustainable valuations. Although attending such meetings is a costly exercise, engaging with the VOA and telecom representatives mitigates the risk to these valuations for the whole of Scotland and assists in negating the need for future costly litigation.

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. There may be a surge in these appeals due to the changes announced by the Scottish Government to the amounts payable by the higher bands of council tax. This work will require to be absorbed into business as usual for the foreseeable future.

Performance

The performance report for 2016/17 will be submitted for approval at the Joint Board meeting on the 30th June 2017.

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/1829/Committee/78/Default.aspx>

Financial Performance

Revenue

The Comprehensive Income and Expenditure Account on page 16 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 £152,378 for the financial year 2016/17, compared to a budgeted deficit of £109,500, returning an overspend of £42,878. This overspend is less than the last reported year end forecast position to the Joint Board due to an application to the Cabinet Office for additional funding being successful and received late March 2017. This overspend excludes accounting adjustments relating to pensions and short-term accumulating compensated absences.

The difference between the employee costs figure below and the figure reported in the Comprehensive Income and Expenditure report is due to accounting adjustments for pension costs (£95,000) and accrued employee benefits (£2,362). 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 (£1,860).

**Renfrewshire Valuation Joint Board
Annual Accounts 2016/17**

	Budget £	Actual £	Variance £
Employee Costs	1,801,000	1,846,918	(45,918)
Property Costs	241,500	245,026	(3,526)
Payments to Other Bodies	19,700	8,790	10,910
Supplies and Services	79,900	83,510	(3,610)
Contractors & Others	25,000	10,836	14,164
Administrative Costs	320,100	341,310	(21,210)
Total Expenditure	2,487,200	2,536,390	(49,190)
Requisition Income	(2,213,300)	(2,213,300)	-
Sales, Fees and Charges	(5,000)	(33,458)	28,458
Other Income	(159,400)	(137,254)	(22,146)
Total Income	(2,377,700)	(2,384,012)	6,312
(Surplus)/Deficit for Year	109,500	152,378	(42,878)

The overspend within Employee Costs is due to a low turnover of staff, resulting in turnover targets not being achieved, and also due to higher than anticipated overtime required to address workload pressures associated with the 2017 revaluation exercise.

The publicity and material costs for the School Awareness Campaign were lower than expected which has resulted in the underspend in Payments to Other Bodies.

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

The overspend within Administration costs is due to the increase in postages for the revaluation notices for Non Domestic Rates and 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 under recovery is due to an income reduction from the Cabinet Office to fund Individual Electoral Registration (IER). An application to the Cabinet Office for additional funding was successful, however part of this funding will be required to fund IER costs in 17/18 and was therefore carried forward.

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 £314,326.

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 15. The appointed actuaries have confirmed a net liability position of £4.755 million, a deterioration of £1.969 million in their assessment of the position of the pension fund. This deterioration is a result of a decrease in the real discount rate due to an increase of the price of good quality Corporate Bonds on the specific date set by the accounting standard when calculating the pension financial assumptions. The net deficit position of the pension reserve impacts on the net asset position of 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.

The calling of an unexpected snap election means there is no guarantees that financial assistance will be available for the additional costs associated with the new Individual Electoral Registration system. It may be some time before we know the level, or indeed if, any funding is forthcoming.

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. This allowed the Joint Board to approve a reduced requisition level for 2017/18 and the Joint Board will continue to pursue further efficiencies and cost reductions.

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.

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.
- 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);
- Approve the Annual Accounts for signature.

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 2017.

Alan Russell CPFA

Treasurer
30 June 2017

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 2016/17

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 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.

**Renfrewshire Valuation Joint Board
Annual Accounts 2016/17**

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.

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 17th May 2013, from the 1st 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 24th January, 1997 that the salary of the posts of Assessor and Electoral Registration Officer and his depute 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 Depute Assessor and Electoral Registration Officer report at a meeting of the Joint Board on 22nd November, 2002.

2015/16	Senior Employees		2016/17		
Total	Name	Post Held	Salary, fees and allowances	Expenses allowance chargeable to UK income tax	Total
£			£	£	£
99,540	Alasdair MacTaggart (i)	Assessor & Electoral Registration Officer	93,269	-	93,269
69,418	Kate Crawford	Depute Assessor & Electoral Registration Officer	69,920	-	69,920
168,958	Total		163,189	-	163,189

Notes

- (i) Salaries Fees and Allowances for Alasdair MacTaggart in 15/16 include £7,452 of backdated payments in relation to prior year Chief Officers pay awards.

3. Pension rights

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

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

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

**Renfrewshire Valuation Joint Board
Annual Accounts 2016/17**

2015/16	Member contribution rates on earnings in the bands below	2016/17
Up to £20,500	5.5%	Up to £20,500
£20,501 to £25,000	7.25%	£20,501 to £25,000
£25,001 to £34,400	8.5%	£25,001 to £34,400
£34,401 to £45,800	9.5%	£34,401 to £45,800
Over £45,801	12%	Over £45,801

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.

Senior Employees		Accrued Pension benefits as at 31 March 2017		Change in accrued pension benefits since 31 March 2016		Pension contributions made by RVJB during 2016-2017
Name	Post Held	Pension £m	Lump Sum £m	Pension £m	Lump Sum £m	£
Alasdair MacTaggart	Assessor & Electoral Registration Officer	0.051	0.114	+0.002	+0.001	18,001
Kate Crawford	Depute Assessor & Electoral Registration Officer	-	-	-	-	-
Total		0.051	0.114	+0.002	+0.001	18,001

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 2016/17, in bands of £5,000.

2015/16	Remuneration Band	2016/17
Number of employees		Number of employees
1	£50,000 - £54,999	1
-	£55,000 - 59,999	-
-	£60,000 - £64,999	-
1	£65,000 - 69,999	1
-	£70,000 - £74,999	-
-	£75,000 - £79,999	-
-	£80,000 - £84,999	-
-	£85,000 - £89,999	-
-	£90,000 - £94,999	1
1	£95,000 - £99,999	-
<hr/>		<hr/>
3		3

5. Exit Packages

Renfrewshire Valuation Joint Board had no exit packages in 2016-17.

Independent Auditors Report

Annual Accounts 2016-17

Under audit arrangements approved by the Accounts Commission, the auditor with responsibility for the audit of the accounts for Renfrewshire Valuation Joint Board for the year ended 31 March 2017 is:

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

Statement

The Audit of the accounts is not yet complete, ie the figures are "subject to audit". The certified accounts will be presented to the Joint Board for approval after the audit is complete.

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Movement in Reserves Statement for the year ended 31 March 2017

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**.

	Note	Usable reserves		Unusable reserves	
		Revenue Reserve	Pension Reserve	Employee Statutory Adjustment Account	Total Reserves
		£	£	£	£
Balance at 31 March 2015 carried forward		-	(3,966,000)	(39,963)	(4,005,963)
<i>Movement in reserves during 2015-16</i>					
Surplus or (deficit) on the provision of services		(402,745)			(402,745)
Other comprehensive income and expenditure	6b		1,460,000		1,460,000
Total comprehensive income and expenditure		(402,745)	1,460,000	-	1,057,255
Adjustments between accounting basis and funding basis under regulations	6a & 6b	278,009	(280,000)	1,991	-
Transfer from Creditors	6a	591,440			591,440
Net increase or (decrease) before transfers to other statutory reserves		466,704	1,180,000	1,991	1,648,695
Transfers to or (from) other statutory reserves		-	-	-	-
Transfer to creditors	12	(466,704)	-	-	(466,704)
Increase or (decrease) in 2015-16		-	1,180,000	1,991	1,181,991
Balance at 31 March 2016 carried forward		-	(2,786,000)	(37,972)	(2,823,972)
<i>Movement in reserves during 2016-17</i>					
Surplus or (deficit) on the provision of services		(349,740)			(349,740)
Other comprehensive income and expenditure	6b		(1,774,000)		(1,774,000)
Total comprehensive income and expenditure		(349,740)	(1,774,000)	-	(2,123,740)
Adjustments between accounting basis and funding basis under regulations	6a & 6b	197,363	(195,000)	(2,363)	-
Transfer from Creditors	6a	466,704			466,704
Net increase or (decrease) before transfers to other statutory reserves		314,326	(1,969,000)	(2,363)	(1,657,037)
Transfers to or (from) other statutory reserves					-
Transfer to creditors	12	(314,326)			(314,326)
Increase or (decrease) in 2016-17		-	(1,969,000)	(2,363)	(1,971,363)
Balance at 31 March 2017 carried forward		-	(4,755,000)	(40,335)	(4,795,335)

Comprehensive Income and Expenditure Statement for the year ended 31 March 2017

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**.

2015/16			2016/17
£		Note	£
2,120,206	Employee Costs		1,944,280
241,539	Property Costs		245,026
93,365	Supplies & Services		83,510
5,189	Contractors		10,836
403,796	Administration Costs		341,311
18,010	Payments to Other Bodies		8,790
2,882,105	Cost of Services		2,633,753
(16,513)	Sales, Fees & Charges		(33,458)
(306,946)	Other Income		(135,394)
125,899	Financing & Investment Income and Expenditure	8	98,139
(2,281,800)	Requisitions from Members Authorities	13	(2,213,300)
402,745	(Surplus) or deficit on the provision of services		349,740
(1,460,000)	Actuarial (Gains) or losses on pension assets and liabilities	15a	1,774,000
(1,460,000)	Other Comprehensive Income & Expenditure		1,774,000
<u>(1,057,255)</u>	Total Comprehensive Income & Expenditure		<u>2,123,740</u>

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Expenditure Funding Analysis for the year ended 31 March 2017

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.

2016/17	(Surplus)/Deficit for Year	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£
Balance as at 31st March 2017	42,878			42,878
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
(Surplus) or deficit on the provision of service				349,740

2015/16	(Surplus)/Deficit for Year	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
	£	£	£	£
Balance as at 31st March 2016	83,635			83,635
Approved draw on reserves	41,100			41,100
Employee Statutory Adjustment		(1,990)		(1,990)
Pension Cost			150,000	150,000
Pension Interest			130,000	130,000
(Surplus) or deficit on the provision of service				402,745

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Balance Sheet as at 31 March 2017

The **balance sheet** shows the value as at 31 March 2017 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.

31st March 2016		Note	31st March 2017
£			£
	<u>Current Assets</u>		
636,277	Funds held by Renfrewshire Council		453,043
18,401	Debtors and Prepayments	10	34,375
100	Cash in Hand		100
<hr/> 654,778			<hr/> 487,518
	<u>less Current Liabilities</u>		
(692,751)	Creditors And Accruals	11	(527,853)
<hr/> (37,972)	Net Assets Excluding Pension (Liability)/Asset		<hr/> (40,335)
	<u>Long Term Liabilities</u>		
(2,786,000)	Pension (liability)/Asset	15c	(4,755,000)
<hr/> (2,823,972)	Net (Liabilities)/Asset Including Pension		<hr/> (4,795,335)
	<u>Represented by:</u>		
	Revenue Reserves		
	Useable Reserves		
466,704	Balance due to Member Authorities		314,326
(466,704)	Transfer to Creditors	12	(314,326)
	Unuseable Reserves		
(37,972)	Employee Statutory Adjustment Account	6c	(40,335)
(2,786,000)	Pension Reserve	6b	(4,755,000)
<hr/> (2,823,972)			<hr/> (4,795,335)

The unaudited accounts were authorised for issue issued on 30 June 2017.
Balance sheet signed by:

Alan Russell CPFA
Treasurer
30 June 2017

Cash flow Statement for the year ended 31 March 2017

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.

2015/16		2016/17
£		£
	Operating Activities	
	Cash Inflows	
(2,551,626)	Sale of goods and rendering of services	(2,440,443)
(4,101)	Interest received	(1,861)
(2,555,727)	Cash inflows generated from operating activities	(2,442,304)
	Cash Outflows	
1,583,895	Cash paid to and on behalf of employees	1,630,925
687,449	Cash paid to suppliers of goods and services	644,373
376,013	Other payments for operating activities	350,240
2,647,357	Cash outflows generated from operating activities	2,625,538
91,630	Net (increase)/decrease in cash and cash equivalents	183,234
	Cash and cash equivalents at the beginning of the reporting period - short term deposits with Renfrewshire Council	636,377
728,007		
	Cash and cash equivalents at the end of the reporting period - short term deposits with Renfrewshire Council	453,143
636,377		
91,630	Net cash (inflow)/outflow in cash and cash equivalents in year	183,234

Note 1 Summary of Significant Accounting Policies

The Financial Statements for the year ended 31 March 2017 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 2016/17, (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.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Joint Board to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary severance. They are charged on an accruals basis to the Employee Costs line in the Comprehensive Income and Expenditure Statement when the Joint Board is demonstrably committed to either terminating the employment of an officer or making an offer to encourage voluntary severance. The Joint Board is only demonstrably committed to a termination when it has a detailed formal plan for the termination and it is without realistic possibility of withdrawal; and agreement to the termination has been granted by the Joint Board.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Revenue balances to be charged with the amount payable by the Joint Board to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and to replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

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.

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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 15 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 5 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.

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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.

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.

Provisions

Provisions are made where an event has taken place that gives the Joint Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that Renfrewshire Valuation Joint Board becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Joint Board settles the obligation.

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 2 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 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, 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.
--------	---

Note 4 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 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint 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 £2.139 million. However, the assumptions interact in complex ways. During 2016/17, the appointed actuaries advised that the net pensions liability had increased by £1.774 million attributable to updating of the assumptions.

Note 5 Events after the balance sheet date

Events taking place after the authorised for issue date per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2017, 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.

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Note 6 Details of Movement in Reserves

a. Revenue Reserve

2015/16		2016/17
£		£
(591,440)	Balance as at 1 April	(466,704)
(280,000)	Transfer to pension reserve	(195,000)
1,991	Transfer to employee statutory adjustment account	(2,363)
402,745	(Surplus) or Deficit on provision of services (from the Comprehensive Income & Expenditure Account)	349,740
(466,704)	Balance as at 31 March	(314,326)

b. Pension Reserve

2015/16		2016/17
£		£
(3,966,000)	Balance as at 1 April	(2,786,000)
1,460,000	Actuarial Gains and Losses (see note 15)	(1,774,000)
(280,000)	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	(195,000)
(2,786,000)	Balance as at 31 March	(4,755,000)

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.

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c. Employee Statutory Adjustment Account

2015/16		2016/17
£		£
(39,963)	Balance as at 1 April	(37,972)
39,963	Reversal of prior year accrual for short-term accumulating compensated absences	37,972
(37,972)	Recognition of the accrual for short-term accumulating compensating absences at 31 March	(40,335)
<u>(37,972)</u>	Balance as at 31 March	<u>(40,335)</u>

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 7 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 £197,363 greater 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.

2015/16		2016/17
£		£
	Amounts to be included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining Movement in Reserves Statement	
(515,000)	Net charges made for retirement benefits in accordance with IAS19	(437,000)
1,991	Net charges for employment short-term accumulating absences	(2,363)
<u>(513,009)</u>		<u>(439,363)</u>
	Amounts not included in the Comprehensive Income and Expenditure Statement but required to be included by statute when determining Movement in Reserves Statement	
<u>235,000</u>	Employers contributions payable to the Strathclyde Pension Fund	<u>242,000</u>
<u>(278,009)</u>	Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	<u>(197,363)</u>

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Note 8 Financing & Investment Income

2015/16		2016/17
£		£
(4,101)	Interest on Balances	(1,861)
130,000	Pension Interest Cost	100,000
<u>125,899</u>	Total Financing and Investment Income	<u>98,139</u>

Note 9 Operating Leases

The Joint Board has acquired office accommodation at the Robertson Centre in Paisley by entering into an operating lease which was originally until 2020 but has been extended to 2024. A previous agreement with Inverclyde Council to rent office space within their Customer Service Centre in Greenock ended in August 2015. The expenditure charged in year to the Comprehensive Income and Expenditure Statement was £55,000 (2015/16 £55,581).

2015/16		2016/17
£		£
	Future Minimum Lease Payments	
55,000	- not later than one year	55,000
165,000	- later than one year and not later than five years	220,000
-	- later than five years	110,000
<u>220,000</u>	Total	<u>385,000</u>

Note 10 Debtors

31st March 2016		31st March 2017
£		£
-	Other local authorities	-
18,401	Other Entities and Individuals	34,375
<u>18,401</u>	Total short term debtors	<u>34,375</u>

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Note 11 Creditors

31st March 2016 £		31st March 2017 £
-	Central government bodies	-
466,704	Other local authorities	314,326
37,972	Short Term Accumulating Absences	40,335
149,828	Accrued Payrolls	110,315
38,246	Other entities and individuals	62,877
<u>692,751</u>	Total short term creditors	<u>527,853</u>

Note 12 Transfer to Creditors

2015/16 £		2016/17 £
<u>466,704</u>	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.	<u>314,326</u>

Note 13 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.

2015/16 £	Council	Percentage	2016/17 £
467,800	East Renfrewshire	20.6%	455,900
531,700	Inverclyde	23.3%	515,700
<u>1,282,300</u>	Renfrewshire	<u>56.1%</u>	<u>1,241,700</u>
<u>2,281,800</u>	Total	<u>100.0%</u>	<u>2,213,300</u>

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 2017 was £86,679 (2015/16 £106,770).

Note 14 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 2016-2017 were £6,970 (£7,090 in 2015/16). There were no fees paid to Audit Scotland in respect of any other services.

Note 15 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.

15a. 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 2016/17:

2015/16 £		Note	2016/17 £
Comprehensive Income & Expenditure Statement			
Cost of Services			
385,000	Current service cost	(i)	337,000
-	Past service cost/(gain)		-
-	Settlements & curtailments	(ii)	-
385,000			337,000
Financing & Investment Income & Expenditure			
130,000	Net Interest	(iii)	100,000
515,000	Total Post-employment Benefits charged to the Surplus or Defecit on the Provision of Services		437,000
Other post employment benefit charged to the Comprehensive Income and Expenditure Statement			
64,000	Return on assets excluding amounts included in net interest		(2,191,000)
(1,426,000)	Actuarial (gains) and losses arising on changes in financial assumptions		3,901,000
(98,000)	Other (gains) and losses		64,000
(1,460,000)	Total Actuarial (gain)/Losses		1,774,000
(945,000)	Total post employment benefit charged to the Comprehensive Income and Expenditure Statement		2,211,000
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)	
(1,180,000)			1,969,000
235,000	Employers Contributions paid to Strathclyde Pension Fund		242,000

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 (£195,000).

**Renfrewshire Valuation Joint Board
Annual Accounts 2016/17**

The Joint Board is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2016/17 these amounted to £4,481 (2015/16 £4,634). In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial losses of £1.774 million are included in the Movement in Reserves Statement (2015/16 £1.460 million gain). The cumulative amount of actuarial losses is £4.723 million (2015/16 £2.949 million).

15b. 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:

2015/16		2016/17
£000		£000
14,799	Opening present value	13,879
385	Current service cost	337
476	Interest Cost	488
79	Employee Contributions	83
	Remeasurement (gains)/losses:	
(1,524)	Actuarial (gains)/losses arising from changes in financial assumptions	3,965
-	Unfunded benefits paid	(2)
(336)	Benefits Paid	(294)
13,879	Closing present value of scheme liabilities	18,456

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

2015/16		2016/17
£000		£000
10,833	Opening Fair Value	11,093
346	Interest Income	388
	Remeasurement gain/(loss):	
(64)	Return on assets excluding amounts included in net interest	2,191
235	Contributions from employer	240
79	Contributions from employee	83
-	Contributions in respect of unfunded benefits	2
-	Unfunded benefits paid	(2)
(336)	Benefits Paid	(294)
11,093	Closing fair value of scheme assets	13,701

**Renfrewshire Valuation Joint Board
Annual Accounts 2016/17**

15c. Fund history

	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000
Present Value of Liabilities	(11,234)	(12,298)	(14,799)	(13,879)	(18,456)
Fair value of assets	9,243	9,855	10,833	11,093	13,701
Surplus/(deficit) in the scheme	(1,991)	(2,443)	(3,966)	(2,786)	(4,755)

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

The total liability of £4.755 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 2018 is £0.240 million.

15d. 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 2014.

The principal assumptions used by the actuary have been:

31st March 2016	Year Ended:	31st March 2017
Mortality assumptions		
	Longevity at 65 for current pensioners	
22.1 years	• Men	22.1 years
23.6 years	• Women	23.6 years
	Longevity at 65 for Future pensioners	
24.8 years	• Men	24.8 years
26.2 years	• Women	26.2 years
4.2%	Rate of increase in salaries*	4.4%
2.2%	Rate of increase in pensions	2.4%
3.5%	Rate for discounting scheme liabilities	2.6%
	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 2016/17**

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

31st March 2016 £000		Percentage	31st March 2017 £000
	Equity Securities		
1,040	Consumer	9.5%	1,296
831	Manufacturing	7.5%	1,029
327	Energy and Utilities	3.0%	407
765	Financial Institutions	7.0%	954
448	Health and Care	4.1%	557
633	Information Technology	5.8%	788
4,044	Total Equity	36.7%	5,031
	Private Equity		
1,079	All	8.2%	1,130
1,079	Total Private Equity	8.2%	1,130
	Real Estate		
1,192	UK Property	12.1%	1,653
-	Overseas Property	0.0%	-
1,192	Total Real Estate	12.1%	1,653
	Investment Funds & Unit Trusts		
2,879	Equities	32.2%	4,406
1,354	Bonds	5.6%	769
4	Commodities	0.1%	9
-	Infrastructure	0.0%	-
156	Other	1.4%	186
4,393	Total Investment Funds & Unit Trusts	39.2%	5,370
	Derivatives		
-	Inflation	0.0%	-
-	Interest Rate	0.0%	-
-	Foreign Exchange	0.0%	2
3	Other	0.0%	-1
3	Total Derivatives	0.0%	1
	Cash & Cash Equivalents		
382	All	3.8%	516
382	Total Cash & Cash Equivalents	3.8%	516
11,093	Total	100%	13,701

15e. Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions has been set at 19.3% for 2016-17 and 2017-18.

Note 16 Contingent Liabilities and Assets

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



Renfrewshire Valuation Joint Board

Report to : Renfrewshire Valuation Joint Board

Meeting on : 30th June 2017

Subject : Electoral Registration Update Report

Author : Assessor & Electoral Registration Officer

1.0 Introduction

This report is to provide members with an update on Electoral Registration and the two recent elections.

2.0 Local Government Election

This Election was held on 4th May and I am pleased to report there were no major issues concerning the Registration process. We did however process a large number of alterations to the Register; additions were just short of 8,000, deletions of 3,500 and just over 1,000 one-off postal vote requests.

3.0 UK Parliamentary General Election

This was a “snap” Election on 8th June which meant that some preparations for this election saw an overlap with preparations for the LGE on 4th May. The number of alterations processed for this election resulted in 6,260 additions, deletions of just over 2,500 and just over 3,800 one-off postal vote requests.

4.0 Canvass 2017

Plans to start an early annual canvass this year were already in place before the unscheduled UKPGE, which has had a knock on effect to the start date of the canvass by delaying the mailing of all Household Enquiry Forms (HEF's) by approximately a week. It is anticipated that this mailing will be released to Royal Mail around the 5th of July 2017. The reasons behind scheduling an earlier start to our annual canvass were to allow us more time for electors to return their HEF's and more flexibility with the timing of the first reminder HEF mailing. This will hopefully improve response rates allowing us to reduce the

number of households requiring a Door- to- Door canvass. If this is achieved I am hopeful this will translate into some savings to the annual cost of the canvass which, since the introduction of Individual Electoral Registration (IER) has been an increasingly costly exercise. Furthermore, the UK Government has legislated for two changes to the forms we use at canvass. The first change is to the Invitation to Register (ITR) allowing householders to indicate that they are the only person living at the address, therefore we may not need to send further forms to the household in the near future. The second change is to the HEF advising electors we can email them an ITR if they provide an email address. This will have a positive effect on both staff time and postage costs. Both of these measures are already in use in England & Wales and we are receiving positive feedback from colleagues who already operate these changes.

4.3 Young Voters:

The extension of the Franchise to include 16 and 17 year-olds for Scottish Elections has added to the workload over the past few months although we are fortunate that the development undertaken for the 2014 Referendum has limited the amount of system changes. We have worked with the constituent authorities to assist, where required, with outreach in schools.

4.4 Elections:

At present we have no further planned Elections for this year.

General Conclusions

I would like to take this opportunity to thank the staff for their continuing hard work and diligence in dealing efficiently with all aspects of their work and, in particular, the Scottish Local Government Election in May and the UK Parliamentary General Election earlier this month.

Recommendations

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

Kate A Crawford
Assessor & ERO
15th June 2017

For further information please contact Kate Crawford on 0141-618-5903

Or via e-mail at kate.crawford@renfrewshire-vjb.gov.uk

Table A - Total Electorate by Council Ward

Note - this shows ALL electors, irrespective of Franchise ** Adults = 18+ Attainers will be 18 in lifetime of register				
Council Area by Ward	01-Dec-15		01-May-16	
East Renfrewshire	Adults	Attainers	Adults	Attainers
1. Neilston, Uplawmoor and Newton Mearns North	14,323	122	14,401	505
2. Barrhead	12,503	44	12,580	266
3. Giffnock and Thornliebank	10,894	62	11,038	321
4. Netherlee, Stamperland and Williamwood	10,381	72	10,459	351
5. Newton Mearns South	9,705	76	9,754	335
6. Busby, Clarkston and Eaglesham	10,841	81	10,879	364
Total for East Renfrewshire	68,647	457	69,111	2,142
Inverclyde	Adults	Attainers	Adults	Attainers
1. Inverclyde East	12,144	46	12,251	407
2. Inverclyde East Central	9,461	31	9,631	289
3. Inverclyde North	11,186	46	11,251	212
4. Inverclyde South	7,876	26	7,980	243
5. Inverclyde West	8,311	51	8,328	231
6. Inverclyde South West	8,607	68	8,675	380
Total for Inverclyde	57,585	268	58,116	1,762
Renfrewshire	Adults	Attainers	Adults	Attainers
1. Renfrew North	9,779	43	10,040	269
2. Renfrew South and Gallowhill	10,166	41	10,316	223
3. Paisley East and Ralston	12,703	55	12,953	245
4. Paisley North West	12,606	48	13,065	280
5. Paisley South	13,236	63	13,443	346
6. Paisley South West	11,195	54	11,301	321
7. Johnstone South, Elderslie and Howwood	12,430	41	12,672	336
8. Johnstone North, Kilbarchan and Lochwinnoch	9,569	33	9,659	220
9. Houston, Crosslee and Linwood	11,420	78	11,464	356
10. Bishopton, Bridge of Weir and Langbank	9,438	58	9,593	284
11. Erskine and Inchinnan	12,798	95	12,777	447
Total for Renfrewshire	125,340	609	127,283	3,327
Joint Board Area	Adults	Attainers	Adults	Attainers
Total for Joint Board Area	251,572	1,334	254,510	7,231

Table B - Total Electorate by Scottish Parliamentary Constituency

Note - this shows only those electors eligible to vote at Scottish Parliamentary Election				
Council Area by Ward	01-Dec-15		01-May-16	
East Renfrewshire	Adults	Attainers	Adults	Attainers
Eastwood	51,513	387	53,224	360
Greenock and Inverclyde	53,459	250	55,226	379
Renfrewshire North and West	48,887	279	50,640	253
Paisley	49,729	220	51,751	191
Renfrewshire South	47,984	198	49,490	192



Renfrewshire Valuation Joint Board

Report to: Renfrewshire Valuation Joint Board

Meeting on: 30th June 2017

Subject: Performance Report

Author: Divisional Assessor & Assistant Electoral Registration Officer

1.0 Introduction

This quarter's performance report provides an update to the ongoing reporting of performance and is intended to keep members informed of current performance and workload issues facing the Board. As this is the first report following the end of the financial year, the statistics for Valuation Roll and Council Tax look at the entire year from April 2016 to March 2017.

A summarised report designed for publication on the internet is appended and the Board's approval to publish is recommended.

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 2016 to 31st March 2017

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	774	759	98.06%	8	1.03%	767	7	0.91%
East Renfrewshire	376	353	93.89%	23	6.11%	377	0	0.00%
Inverclyde	114	109	95.61%	4	3.51%	1	0	0.88%
RVJB totals	1264	1221	96.60%	35	2.78%	1256	7	0.62%

This performance exceeded our target of 95% within three months but unfortunately the target of 99.5% within 6 months was narrowly missed as our performance was 99.38%. Given, the additional workload in meeting our statutory duties in relation to completing the 2017 Non Domestic Revaluation timeously this does not give any cause for concern.

The number of new houses added to the Council tax list in the past 3 years were:

2014/15	947
2015/16	1,243
2016/17	1,264

This year's figure is more in line with the long term norm where around 1200 to 1300 houses per annum had been added to the Council Tax List.

In the period from 1st April 2016 to 31st March 2017, the average number of days taken to add a house was as follows:

Council Area	No. Added	Average No. of Days
Renfrewshire	774	31.96
East Renfrewshire	376	26.48
Inverclyde	114	26.66
RVJB Totals	1264	29.85

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 1st April and 31st March during 2015/16 and 2016/17

Council Area	No. Deleted 2015/16	No. Deleted 2016/17
Renfrewshire	30	153
East Renfrewshire	25	10
Inverclyde	131	93
RVJB Total	186	256

3.0 Non-domestic Valuation

One of the main areas of work in non-domestic valuation over the last year aside from successfully completing the 2017 Non Domestic Revaluation was the maintenance of the Valuation Roll. I include a summary below outlining the number of amendments undertaken for information.

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

Period 1st April 2016 to 31st March 2017

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	573	345	60.22%	127	22.16%	82.38%	101	17.62%
East Renfrewshire	118	87	73.73%	27	22.88%	96.61%	4	3.39%
Inverclyde	128	102	79.70%	16	12.50%	92.20%	10	7.80%
RVJB totals	819	534	65.21%	170	20.75%	85.96%	115	14.04%

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 has unfortunately not been met. Achieving the targets this year was always going to be challenging as priority was given to successfully completing the 2017 Non Domestic Revaluation with fewer qualified staff compared to the 2010 Revaluation. Resources therefore were prioritised on achieving this statutory goal. However, as outlined in the June 2016 Board Report, we were experiencing a marked increase in terms of the number of alterations made in comparison to the same period the year before. This trend continued until the end of the year culminating in 819 alterations compared to 571 the previous year. This represents an increased workload of 43%.

4.0 General Conclusions

Whilst the levels of performance are not meeting our usual high standards it was anticipated that the additional burdens imposed on our reduced valuation team being heavily involved with the 2017 Non Domestic Revaluation would affect our performance this year. The large 43% increase on the number of changes carried out has also contributed to these targets not being met. However, given the increased workload of changes to the valuation roll and high levels of Council Tax additions the staff has to be congratulated on all their hard work during this exceptionally busy year.

5.0 Recommendations

- i. The Board note the contents of this report.
- ii. The Board authorise publication of the attached summary report.

Jacqueline Murgatroyd
Divisional Assessor & Assistant ERO
7 June 2017

For further information please contact Jackie Murgatroyd at 0141-618-5951 or via email at jackie.murgatroyd@renfrewshire-vjb.gov.uk

Renfrewshire Valuation Joint Board



Summary of Performance Returns

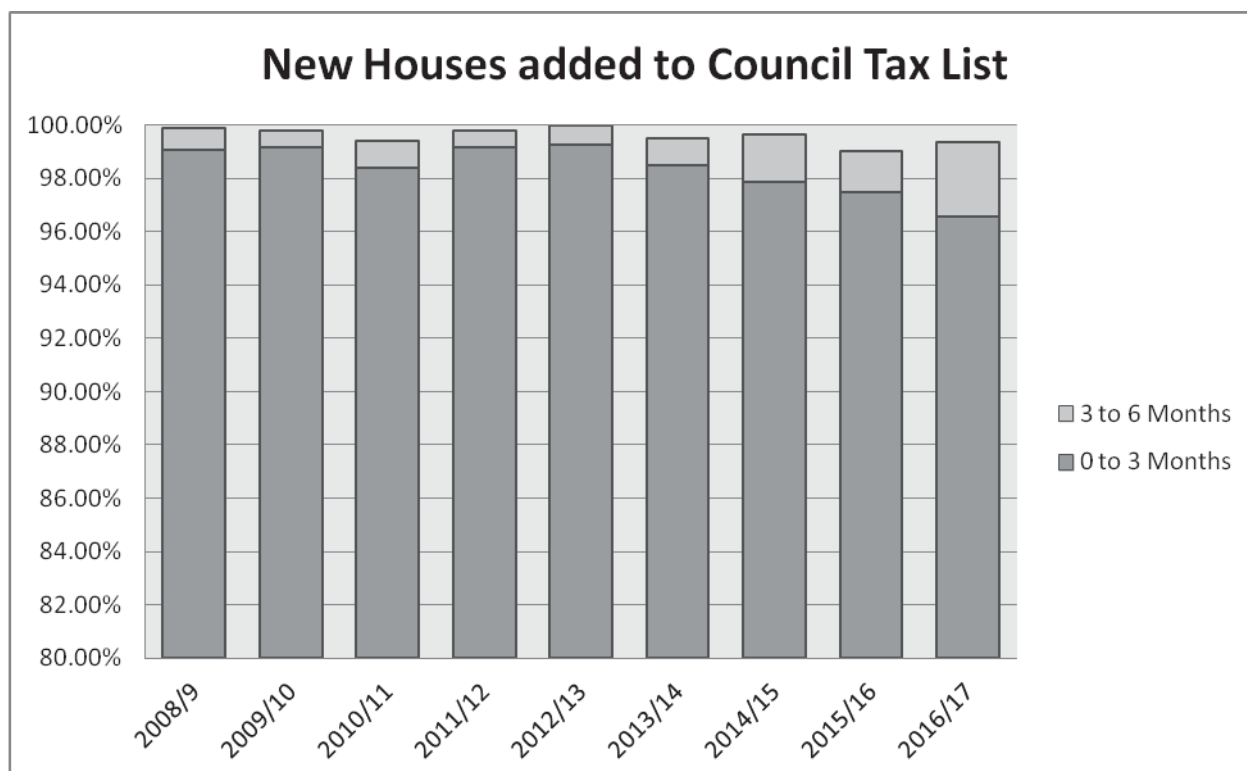
2008/09 – 2016/17

The Following data and charts summarise the Assessor's performance in relation to targets set over the past 9 years for alterations and amendments to the Council Tax List and the Valuation Roll.

1.0 Addition of New Houses to the Council Tax List

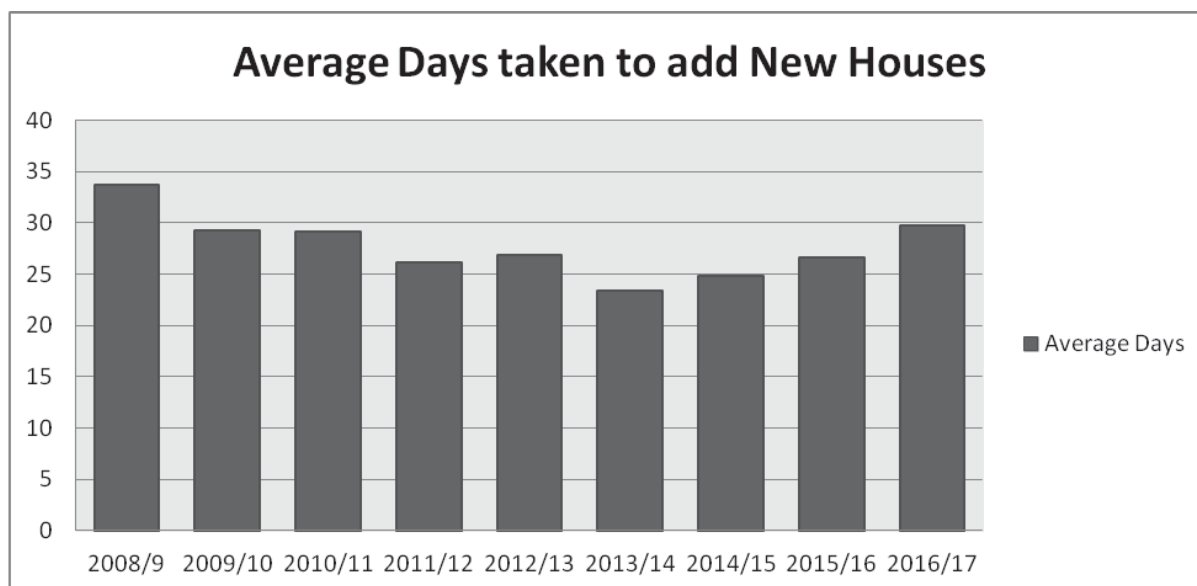
The main, ongoing work in relation to Council Tax is the addition of new houses to the Council Tax List. This year has shown an increase in the number of houses being added to the Council Tax List and despite this increased workload our performance is only marginally lower compared with last year and has continued to exceed our three monthly target of 95%. The six monthly target of 99.5% was only just missed with our performance being 99.38%. This was due to circumstances outwith our control and our statutory duties regarding the 2017 Revaluation.

Council Tax - New Houses Added									
	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Achievement									
Within 3 Months	99.10%	99.20%	98.40%	99.20%	99.30%	98.53%	97.89%	97.51%	96.60%
	0.80%	0.60%	1.00%	0.60%	0.70%	0.98%	1.79%	1.53%	2.78%
Within 6 Months	99.90%	99.80%	99.40%	99.80%	100.00%	99.51%	99.68%	99.04%	99.38%
Over 6 Months	0.10%	0.20%	0.60%	0.20%	0.00%	0.49%	0.32%	0.96%	0.62%
Target									
Within 3 Months	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%
Within 6 Months	99.00%	99.00%	99.00%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%



The Assessor also measures the average number of days taken to add a new house. The table below shows the average number of days between the effective date of change to the Council Tax List and the date of issue of a Council Tax Notice.

Council Tax - New Houses Added Average No. of Days								
2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
33.81	29.32	29.16	26.18	26.90	23.48	24.90	26.68	29.85

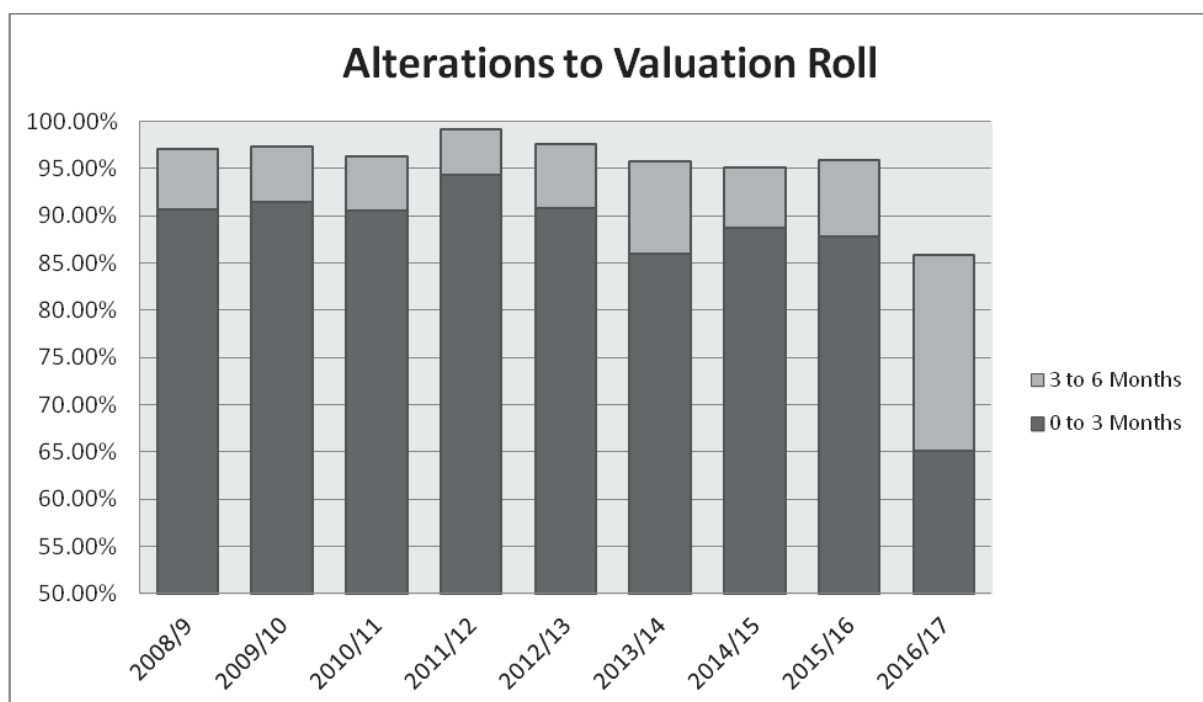


The average number of days taken to add a new house has continued to remain below the target set of 38 days throughout the 9 years that this measure has been in place.

2.0 Amendments to the Valuation Roll.

The following table provides a summary of how long it has taken to amend the Valuation Roll following changes to Lands and Heritages (excluding appeal settlements and changes to prescribed entries).

Non Domestic Alterations to the Valuation Roll									
	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Achievement									
Within 3 Months	90.70%	91.50%	90.60%	94.40%	90.90%	86.02%	88.77%	87.92%	65.21%
	6.40%	5.90%	5.80%	4.80%	6.80%	9.76%	6.44%	8.06%	20.75%
Within 6 Months	97.10%	97.40%	96.40%	99.20%	97.70%	95.78%	95.21%	95.98%	85.96%
Over 6 Months	2.90%	2.60%	3.60%	0.80%	2.30%	4.21%	4.79%	4.02%	14.04%
Target									
Within 3 Months	77.50%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Within 6 Months	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%	95.00%



The performance levels for 2016/17 have not met the target of 80% within 3 months and 95% within 6 months due to our statutory duties in completing the 2017 Revaluation coupled with a substantial increase in the number of alterations undertaken this year compared to previous years.

Jacqueline Murgatroyd

Divisional Assessor & Assistant ERO

RENFREWSHIRE VALUATION JOINT BOARD**To: RENFREWSHIRE VALUATION JOINT BOARD****Date: 30 June 2017****Report by
Chief Auditor****INTERNAL AUDIT ANNUAL REPORT 2016/17****1. SUMMARY**

- 1.1 The Public Sector Internal Audit Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan.
- 1.2 The annual report must also provide an annual audit opinion on the overall adequacy and effectiveness of the Renfrewshire Valuation Joint Board's internal control environment.
- 1.3 The Annual Report for Renfrewshire Valuation Joint Board is attached at Appendix 1 and outlines the role of Internal Audit, the performance of the Internal Audit Team, the main findings from the internal audit work undertaken in 2016/17, and contains an audit assurance statement.

2. RECOMMENDATIONS

- 2.1 Members are invited to consider and note the contents of the Annual Report.
-

Renfrewshire Valuation Joint Board Internal Audit Annual Report 2016-2017

**Renfrewshire Council
Finance & Resources
Internal Audit**

June 2017

Renfrewshire Valuation Joint Board
Internal Audit Annual Report 2016/2017

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**Renfrewshire Valuation Joint Board
Internal Audit Annual Report**

1 April 2016 – 31 March 2017

1. Introduction

1.1 As host Authority, Renfrewshire Council provides an internal audit service to Renfrewshire Valuation Joint Board. This includes:

- The compilation of an annual audit plan following consideration and evaluation of those areas of greatest risk in the organisation's operation, and consultation with the Assessor and Electoral Registration Officer, Renfrewshire Valuation Joint Board
- Delivery of the planned audit assignments
- Follow up of previous audit recommendations
- Provision of any ongoing advice and support on audit and risk management related matters.
- Provision of an Annual Report and Assurance Statement, and presentation to elected members at the board of Renfrewshire Valuation Joint Board

1.2 The Service operates in accordance with the Public Sector Internal Audit Standards which defines Internal Audit's role as:

“.....an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

1.3 In line with the Standards, the purpose of this Annual Report is to report on:

- The outcome of the planned Internal Audit reviews 2016/17 relating to Renfrewshire Valuation Joint Board;
- The outcome of Internal Audit reviews of supporting Renfrewshire Council corporate systems;
- Internal audit performance ;
- Planned audit work for 2017/18;
- The annual assurance statement which provides an opinion on the overall adequacy and effectiveness of the Board's internal control environment.

2. Responsibilities of Management and Internal Audit

- 2.1 It is the responsibility of management to ensure that the areas under their control is adequate and effective and that there is a sound system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.
- 2.2 Internal Audit is not a substitute for effective control exercised by management as part of their responsibilities. Internal Audit's role is to independently assess the adequacy of the risk management, internal controls and governance arrangements put in place by management and to undertake sufficient work to evaluate and conclude on the adequacy of those controls for the period under review.

3. Internal Audit Activity during 2016/2017

- 3.1 One specific review was undertaken during 2016/17, which related to the progress in implementing the Records Management Plan Actions within the Renfrewshire Valuation Joint Board. The main findings in relation to this review is summarised in table 1 below:

Table 1

Audit Area	Conclusion
Records Management Plan	<ul style="list-style-type: none">• Substantial Assurance• The audit has identified that satisfactory arrangements are in place for Records Management within RVJB. Some recommendations were made in relation to the reviewing and updating of some process documentation which management agreed to action.

- 3.2 The Annual Report for 2016/2017 was submitted to the Authority on 20 May 2016.
- 3.3 The implementation rate of audit recommendations is a measure of operational culture and effectiveness. During 2016/17, 4 recommendations were followed up. Of these 1, (25%) has been completed, 2 (50%) partially complete, subject to completion at a later date, and will be followed up in 2017/18. One recommendation (25%) had not yet been implemented and a revised target date has been set.
- 3.4 Internal Audit also carried out reviews of the main corporate systems operating within Renfrewshire Council which support the Board's activity. The main findings in relation to these are summarised in table 2 below and Renfrewshire Council management have agreed to implement the audit recommendations made in relation to each review:

Table 2

Audit Area	Conclusion
Corporate Governance (Gifts and Hospitality)	<ul style="list-style-type: none"> • Limited Assurance • Internal Audit have reviewed the level of awareness and compliance with the procedures for gifts and hospitality. Council management has agreed to review the documented procedures in place and develop training material to promote staff awareness and compliance.
Procurement (Tendering arrangements)	<ul style="list-style-type: none"> • Substantial Assurance • No key risks were identified, although some recommendations were made in relation to retention of records, updating procedures and segregation of duties.

4. Review of Internal Audit Performance

- 4.1 In previous years internal audit measured performance against a range of measures set annually by the Director of Finance and Resources. In 2016/17, Internal audit were in the process of implementing a new audit management system, during this phased implementation period it was only possible to measure the percentage completion of the audit plan for the year. Table 3 shows the actual performance against targeted performance for the year.

Table 3

Internal Audit Performance 2016/17		
Performance measure	Target 2016/17	Actual 2016/17
% completion of audit plan for the year*	95%	91.8%

* this measures the completion percentage as at 31 March. 100% of the plan is ultimately delivered through the finalisation of the outstanding elements in the new financial year.

- 4.2 Actual performance for the year is 3.2% below the target performance level. This was due to the actual level of resources available being lower than had been planned for, due to vacancies and maternity leave. The 95% targeted completion was achieved by the end of April 2017.

4.3 The Chief Auditor is required to develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit including conformance with the PSIAS. During 2016/17, an external quality assessment was undertaken, as required by the PSIAS once every five years. The assessment was undertaken as a peer review by West Lothian Council and concluded that the internal audit service was well managed and effective. A small number of recommendations for improvement were made and these have been added to the quality assurance and improvement programme for implementation during 2017/18.

4.4 External Audit

External Audit's review of the internal audit service concluded that the internal audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and has sound documentation standards and reporting procedures in place.

4.5 Risk Management

The responsibility for co-ordinating risk management activity across the council and its associated bodies lies with internal audit. Risk management performance is detailed in Renfrewshire Council's risk management annual report.

5. Planned Work for 2017/18

5.1 Following a risk based assessment of the activities of the Renfrewshire Valuation Joint Board, the audit plan for 2017/2018 provides for a review of the valuation system used for properties subject to Council Tax and ad-hoc financial advice, reactive investigative work, follow-up of previous audits and risk management advice.

5.2 An annual report for 2016/2017 will also be provided to the Joint Board.

6. Audit Assurance Statement

6.1 Internal Audit has performed its work in accordance with the role defined in paragraph 1.2. The audit work performed has been reported to the Assessor and Electoral Registration Officer, and to the board in this annual report. Where areas for improvement in internal control have been identified appropriate recommendations have been made, and accepted for action by management.

6.2 In view of the continued challenges common to all public bodies, there will be a requirement for the council and the bodies for which it is host authority to exercise very close scrutiny over expenditure, and this area will continue to receive due internal audit attention.

- 6.3 It is not feasible for the system of internal control to be without any weakness. It is important to balance the risks involved in accepting systems limitations with the consequences if a problem emerges. Internal Audit recognises this and assesses this in its reporting mechanism.
- 6.4 In this context, it is considered that, reasonable assurance can be placed upon the adequacy and effectiveness of the Renfrewshire Valuation Joint Board's internal control, risk management and governance arrangements, as evidenced by:-
- The results of the audit work in 2016/17 in relation to the corporate systems which supported the Renfrewshire Valuation Joint Board's activities, and to specific work carried out in relation to those activities.
 - Management action in response to audit recommendations.
 - Management self assessment of internal control, risk management and governance arrangements.
 - The regular review and updating of the Local Code of Corporate Governance by the Council in accordance with the CIPFA/SOLACE framework for corporate governance requirements, and of the corporate governance arrangements within Renfrewshire Valuation Joint Board.

Signed

Chief Auditor

Date 30 June 2017



Renfrewshire Valuation Joint Board

To: Renfrewshire Valuation Joint Board

On: 30 June 2017

Report
by
Clerk

TIMETABLE OF MEETINGS 2017 TO 2022

1. Summary

1.1 Meetings of the Joint Board are convened on a quarterly basis with meetings being held at 2.00 pm on Fridays in January, May/June, August and November each year.

1.2 Arrangements for ordinary meetings of the Joint Board are governed by the provisions of Standing Order 5 of the Joint Board's Procedural Standing Orders which state that:-

"The Joint Board will agree the dates, times and places for its ordinary meetings. The Joint Board will meet from time to time in each constituent authority and will normally hold at least four meetings a year."

1.3 The suggested dates for meetings of the Joint Board for the current five year term from 2017 to 2022 are:

18 August 2017
17 November 2017
19 January 2018
1 June 2018
17 August 2018
23 November 2018
18 January 2019
31 May 2019
16 August 2019
22 November 2019
17 January 2020
29 May 2020
21 August 2020
20 November 2020
15 January 2021
28 May 2021
20 August 2021

19 November 2021

21 January 2022

- 1.4 The next local government elections is scheduled to be held in May 2022 and in order to give constituent authorities suitable time to advise the Joint Board of their members and substitutes it is proposed that the first meeting of the Joint Board after the local government elections in 2022 be held on 10 June 2022.
- 1.5 To facilitate meetings of the Joint Board being held from time to time in each constituent authority area, it is proposed that powers be granted to the Clerk, in consultation with the Convener, to arrange a meeting or meetings of the Joint Board at venues in the area covered by the Joint Board.

2. Recommendations

- 2.1 That the Joint Board approve the dates for meetings during the current five year term from 2017 to 2022 as detailed in sections 1.3 and 1.4 of the report; and
- 2.2 That authority be granted to the Clerk, in consultation with the Convener, to arrange a meeting or meetings of the Joint Board at venues in the area covered by the Joint Board.