

GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE

To: Joint Committee

On: 24 October 2022

Report by: The Treasurer and the Strategic Development Plan Manager

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

1. Summary

- 1.1 At the meeting of the Joint Committee on 27 June 2022, a report on the unaudited accounts for the year ended 31 March 2022 was noted.
 - 1.2 The Joint Committee has ended the 2021/22 financial year with a deficit of £69,764 for the financial year 2021/22. This results in an underspend of £85,436 against a planned budget deficit of £155,200.
 - 1.3 The Management Commentary within the accounts provides an overview of the Committee's financial performance during 2021/22, along with its outlook for the future.
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2 Recommendations

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

- 3.1 The Local Authority Accounts (Scotland) Regulations 2014 require the audited accounts to be approved for signature by the Joint Committee no later than 30 September each year; however, some flexibility was available this year following the publication of Local Government Finance Circular 6/2022: Extension to Accounts Approval and Publication Dates for 2021-22. This gave a revised approval deadline for the current year of 30 November.

- 3.2 Section 10 of the 2014 Regulations requires the Joint Committee to consider any report made by the appointed auditor before deciding whether to sign the audited accounts.
- 3.3 The findings of the appointed auditor, Audit Scotland, are presented in the Annual Audit Report, which can be found at Appendix 1. It also includes details of adjustments made to the accounts during the course of the audit.
- 3.4 Following approval, the audited accounts will be submitted to the Convener, Treasurer and Strategic Development Plan Manager for secure digital signature.
- 3.5 The Comprehensive Income and Expenditure Statement (CIES) on page 16 shows an accounting Deficit on the Provision of Services of £180,537.
- 3.6 The Expenditure and Funding Analysis on page 19 shows how this differs from the budgetary deficit of £69,764 due to accounting adjustments for pension costs and the statutory employee leave accrual.
- 3.7 The Balance Sheet on page 18 of the Annual Accounts shows an increase in net worth of £469,463 compared to last year, which is largely driven by the movement in the pension asset. This is explained further in the Management Commentary within the accounts.
- 3.8 There is one restatement of 2020/21 figures that impacts the CIES, Balance Sheet and Movement in Reserves relating to Guarantee Minimum Pension (GMP) rules. Further detail is provided within the accounts in Note 2: Prior Year Restatement and in Note 11: Retirement Benefits.

Glasgow and the Clyde Valley Strategic Development Planning Authority

2021/22 Annual Audit Report – PROPOSED



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

24 October 2022

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Key messages

2021/22 annual accounts

- 1 Glasgow and the Clyde Valley Strategic Development Planning Authority's financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

Financial sustainability

- 2 A deficit of £69,764 has been incurred for the financial year 2021/22. This resulted in an underspend of £85,436 against the planned budget deficit of £155,200.
- 3 A net expenditure position of £30,000 is predicted for 2022/23 with the 2023/24 and 2024/25 indicative budgets both estimating a break-even position. The financial planning arrangements in place have allowed management to plan for future pressures and take action where required.

Annual Governance Statement

- 4 Disclosures in the Annual Governance Statement are consistent with the financial statements and the statement has been prepared in accordance with the relevant statutory guidance.

Introduction

1. This report summarises the findings from our 2021/22 audit of Glasgow and the Clyde Valley Strategic Development Planning Authority (hereafter known as Clydeplan).

2. The scope of our audit was set out in our 2021/22 Annual Audit Plan circulated to the Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee on 31 March 2022. This report comprises the findings from:

- an audit of Clydeplan's annual accounts
- our consideration of financial sustainability and the Annual Governance Statement.

3. The global coronavirus pandemic has had minimal impact on Clydeplan during 2021/22. Revised governance procedures have operated effectively throughout the year and are considered reasonable.

Adding value through the audit

4. We add value to Clydeplan through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- sharing intelligence and good practice through our national reports (++) and good practice guides
- providing clear conclusions on financial sustainability and disclosures in the Annual Governance Statement.

5. In doing so, we aim to help Clydeplan promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

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

7. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance and International Standards on Auditing in the UK. Also, local government bodies have a responsibility to have arrangements in place to demonstrate Best Value in how

they conduct their activities. Our audit work on Clydeplan's Best Value arrangements is focussed on their use of resources to secure financial sustainability.

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

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

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

11. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation.

Auditor Independence

12. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

13. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £3,120 as set out in our 2021/22 Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

14. This report is addressed to both Clydeplan and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Audit appointment from 2022/23

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

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

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

18. We would like to thank Glasgow and the Clyde Valley Strategic Development Planning Authority Committee members, management and other staff, particularly those in finance for their co-operation and assistance over the last six years.

Part 1. Audit of 2021/22 annual accounts

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

Main judgements

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

Our audit opinions on the annual accounts are unmodified

19. The annual accounts for the year ended 31 March 2022 were approved by the Joint Committee on 24 October 2022. As reported in the independent auditor's report:

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

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

20. Submission dates for the annual audit report and audited annual accounts for 2019/20 and 2020/21 were deferred in line with the later dates for producing the annual accounts because of the impact of Covid-19. Audit Scotland has set target dates for 2021/22 which transition to more regular timescales. For 2021/22, the target deadline for the audited accounts is 31 October 2022.

21. The unaudited annual accounts and working papers were received in line with our agreed audit timetable on 17 June 2022. The unaudited annual accounts provided for audit were complete and of a good standard and Finance staff provided good support to the audit team, which helped ensure the final accounts audit process ran smoothly.

Overall materiality is £13,000

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

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

Exhibit 1

Materiality values

Materiality level	Amount
Overall materiality	£13,000
Performance materiality	£10,000
Reporting threshold	£1,000

Source: Annual Audit Plan 2021/22

23. In determining performance materiality we considered the nature and complexity of Clydeplan's accounts as well as the low history of errors.

24. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. We have one issue to report from the audit, [see exhibit 2](#).

Exhibit 2

Significant findings from the audit of the financial statements

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

25. There were a number of other audit findings in relation to the following areas noted below. Appendix 1 details the recommended action plan in relation to these:

- **Related parties** – Clydeplan's related parties note was reviewed against the requirements of IAS 24 and Audit Scotland's Good Practice Note. Management has updated and expanded the disclosure within the annual accounts. The process could be further improved by management:
 - conducting a review of the register of interest of each Joint Committee member against a year-end transaction listing to identify any related party disclosures

- consideration of the interests of close persons or family members of those related to Clydeplan in the identification of related parties
 - adding a link in the note to signpost to Joint committee members Register of Interests
 - including a definition of what a related party is to increase understandability for the reader and an explanation/note as to what is considered material/significant to ClydePlan.
- **Clydeplan lease arrangements** - Clydeplan lease arrangements for West Regent Street expired in October 2019 and arrangements were made to operate from Glasgow City Council (GCC) with no charge. There is no written agreement or formal documentation outlining these arrangements. As part of the approved budget, Clydeplan included a contingency amount in the event that this arrangement changes in-year.
 - **Risk monitoring and review** – As part of planning work we reviewed risk management arrangements at Clydeplan. It is unclear how regularly risks are reviewed, and updated risk registers are not regularly reported to the Joint Committee for review and comment.
 - **Pension Reconciliation** - There is a difference in the employer contribution figure recognised in Clydeplan's ledger and the Hyman's Robertson IAS 19 report of £4,543. Management advised the difference is as a result of payroll operating on a cash basis whilst the ledger is on an accrual basis. However no reconciliation has been undertaken.

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

Exhibit 3

Significant risks from the audit of the financial statements

Audit risk	Assurance procedure	Results and conclusions
1. Risk of material misstatement due to fraud caused by the management override of controls As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding	Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. Test appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.	No unusual or inappropriate activity brought to our attention through management enquiries. No unusual or inappropriate transactions were identified as part of our detailed journal testing. No unusual transactions outside the normal course of business were identified. A review of accounting estimates did not reveal

Audit risk	Assurance procedure	Results and conclusions
controls that otherwise appear to be operating effectively.	<p>Evaluate significant transactions outside the normal course of business.</p> <p>We will assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</p> <p>Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year.</p> <p>Focussed testing of accounting accruals and prepayments.</p>	<p>inappropriate changes to methods, underlying assumptions or any evidence of bias.</p> <p>Transactions selected for cut-off testing were all accounted for in the correct year.</p> <p>Focused testing of accruals and prepayments did not identify any balances that were incorrectly held on the Balance Sheet.</p> <p>Conclusion: no evidence of management override of controls.</p>

Other areas of audit focus

27. The overall scope of the audit was adapted to incorporate the significant assessed risks of material misstatement included within [Exhibit 3](#) and [4](#). We have no significant findings to report on the annual accounts.

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

- **Measurement and judgements applied to the valuation of pension liabilities:** As at 31 March 2021, Clydeplan recognised a net liability of £0.347 million relating to its share of the Strathclyde Pension Fund liability. There is a significant degree of subjectivity in the measurement and valuation of the pension fund liability. The valuation is based on specialist assumptions and estimates.

29. We have kept this area under review throughout our audit. One matter in relation to the valuation of pension liabilities has been highlighted within Exhibit 2 of this report.

Identified misstatements of £23,320 were adjusted in the accounts

30. Total misstatements identified were £23,320. £21,000 of this was in relation to the GMP issue raised within Exhibit 2. £2,320 related to an amount paid for water charges to West Regent Street that Clydeplan are owed due to no longer leasing the premises. No debtor had been raised within the 2021/22 financial statements and management agreed to correct.

31. We have reviewed the nature and causes of these misstatements and have concluded that they arose from issues that have been isolated and identified in their entirety and do not indicate further systemic error.

32. Adjustments made in the audited accounts:

- increased debtors and prepayments by £2,320 and increased creditors and accruals by £2,320
- decreased pension asset by £21,000 and decreased unusable reserves by £21,000.

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

Part 2. Financial sustainability and Annual Governance Statement

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

Main judgements

A deficit of £69,764 has been incurred for the financial year 2021/22. This resulted in an underspend of £85,436 against the planned budget deficit of £155,200.

A net expenditure position of £30,000 is predicted for 2022/23 with the 2023/24 and 2024/25 indicative budgets both estimating a break-even position. The financial planning arrangements in place have allowed management to plan for future pressures and take action where required.

Disclosures in the Annual Governance Statement are consistent with the financial statements and the statement has been prepared in accordance with the relevant statutory guidance.

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

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

Exhibit 4 Risks identified from the auditor’s wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
Financial sustainability The audited annual accounts for 2020/21 confirm a useable reserve balance of £383,872.	Review of the Clydeplan’s annual budget setting arrangements.	Results & Significant Judgements: We reviewed Clydeplan’s financial management arrangements

Audit risk	Assurance procedure	Results and conclusions
<p>In order to ensure the ongoing sustainable funding position of the Joint Committee, requisition income for 2021/22 was approved at pre-2019/20 levels of £579,500 however, a refund of £160,000 is due resulting in total requisition income of £419,500. This results in an anticipated net expenditure position of £155,200 for 2021/22. The Joint Committee's expenditure is projected to require the full requisition income available in the coming years.</p> <p>The pre-2019/20 level of requisition is projected in future years post 2021/22 and is important to the financial and operational sustainability of the organisation to maintain a reserves level to contain the short-term impact of any unforeseen risks and events.</p>	<p>Assessment of Clydeplan's medium to long term financial strategy.</p> <p>Review and assessment of budget monitoring arrangements on financial position.</p> <p>On-going review of the Clydeplan's financial position and delivery of planned savings.</p>	<p>and concluded that these are appropriate.</p> <p>Clydeplan agreed reduced requisitions in year and made use of existing reserves to fund the year-end deficit to reduce useable reserves held to a more acceptable level.</p> <p>A similar position is expected in 2022/23 with the projected year-end deficit of £30,000 to be funded through existing reserves.</p> <p>Clydeplan anticipate a break-even position in 2023/24 and 2024/25.</p> <p>Conclusion: Clydeplan will face a challenging environment from 22/23 onwards in terms of demand and cost pressures, however these challenges are recognised within the revenue estimates and plans going forward. The useable reserve level of Clydeplan is being intentionally reduced over the longer-term through reduced member requisitions and transfers of reserves to the Green Network Partnership in 22/23 and 23/24. Clydeplan should continue to regularly review progress against its budget and future estimates to ensure it remains financially sustainable.</p>

Clydeplan prepares three-year revenue estimates

35. We reviewed the financial planning systems and assessed how effective they are in identifying and addressing risks to financial sustainability across the medium and long term. The three-year revenue estimates are submitted to the Joint Committee for scrutiny review and approval each year and these arrangements are considered appropriate.

36. Clydeplan has adequate financial planning arrangements in place.

37. The 2022/23 budget projects a year-end net expenditure position of £30,000. The deficit will be funded by existing useable reserves. It is also the intention of Clydeplan to transfer £47,500 of useable reserves to the Green Network Partnership to cover the two-year Green Network Development Officer post. This will reduce total useable reserves to £220,457 as at 31 March 2023.

38. The 2023/24 and 2024/25 indicative budgets both estimate a break-even position at year-end. The final £47,500 of useable reserves is to be transferred to the Green Network Partnership in 2023/24, with a total useable reserves position estimated of £172,957 in both 2023/24 and 2024/25.

Annual Governance Statement

39. Our review of the Annual Governance Statement assessed the assurances which are provided to the Joint Committee and management regarding the adequacy and effectiveness of the system of internal control which operated in the financial year. The statement also summarises internal audit findings with the Chief Internal Auditor's assurance statement concluding that a 'reasonable level of assurance can be placed upon the adequacy and effectiveness of the Glasgow and Clyde Valley Strategic Development Planning Authority's internal control, risk management and governance arrangements.

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

National performance audit reports

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

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Related Parties</p> <p>Clydeplan's related parties note was reviewed against the requirements of IAS 24 and Audit Scotland's Good Practice Note. Management has updated and expanded the disclosure within the annual accounts. The process could be further improved by management.</p> <p>Risk – not all related party transactions are identified and reflected within the financial statements.</p>	<p>The process could be further improved by management:</p> <ul style="list-style-type: none"> conducting a review of the register of interest of each Joint Committee member against a year-end transaction listing to identify any related party disclosures consideration of the interests of close persons or family members of those related to Clydeplan in the identification of related parties adding a link in the note to signpost to Joint committee members Register of Interests including a definition of what a related party is to increase understandability for the reader and an explanation/note as to what is considered material/significant to ClydePlan. <p>Paragraph 25</p>	<p>This improvement work will be undertaken for the 2022/23 accounts and the disclosure revised upon conclusion of the review.</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 30 June 2023</p>
<p>2. Clydeplan Lease Arrangements</p> <p>Clydeplan lease arrangements for West Regent Street expired in October 2019 and</p>	<p>Formal agreement and documentation with GCC should be in place to ensure</p>	<p>Arrangements were not formalised in advance of the 2020 lockdown and with staff working in a hybrid model, they have not progressed to date. There is no indication of</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>arrangements were made to operate from Glasgow City Council (GCC) with no charge.</p> <p>There is no written agreement or formal documentation outlining these arrangements.</p> <p>As part of budgeting arrangements, Clydeplan included a contingency amount in the event GCC decide to charge Clydeplan for use of the premises.</p> <p>Risk – the absence of formal documentation could leave Clydeplan open to future liability and could result in inaccurate budgeting.</p>	<p>effective budgeting for Clydeplan.</p> <p>A contingent liability should be reflected within Note 14 for the potential liability owed to GCC in line with the estimates reflected in budgeting.</p> <p>Paragraph 25</p>	<p>a retrospective request for payment, hence the lack of contingent liability, although budget provision has continued until the arrangement is finalised. The situation will be kept under close review for any changes to this.</p> <p>Responsible officer: Strategic Development Plan Manager and Treasurer</p> <p>Agreed date: ongoing through 2022/23</p>
<p>3. Risk Monitoring and Review</p> <p>As part of planning work we reviewed risk management arrangements at Clydeplan. It is unclear how regularly risks are reviewed, and updated risk registers are not regularly reported to the Joint Committee for review and comment.</p> <p>Risk – risks are not identified and captured timeously.</p>	<p>The risk management process should be formalised, with an updated risk register taken regularly for review by the Joint Committee.</p> <p>The 2021/22 governance statement is updated to reflect how sufficient assurance has been obtained over risks in the absence of formal review and monitoring and details any intentions of improvement to the process going forward.</p> <p>Paragraph 25</p>	<p>A risk section will be added to the Management Commentary in 2022/23 and formal and regular risk reporting to be taken to the Joint Committee.</p> <p>Responsible officer: Strategic Development Plan Manager</p> <p>Agreed date: 31 March 2023</p>
<p>4. Pension Reconciliation</p> <p>There is a difference in the employer contribution figure recognised in Clydeplan's ledger and the Hyman's Robertson IAS 19 report of £4,543.</p> <p>Management advised the difference is as a result of payroll operating on a cash</p>	<p>Management should perform a reconciliation for pension contributions at year-end that identifies reconciling differences in order to gain sufficient assurance over the pension figures disclosed per the Hyman's Robertson report/accounts.</p> <p>Paragraph 25</p>	<p>This reconciliation will be undertaken in advance of the 22/23 year-end and then added to year-end procedures.</p> <p>Responsible officer: Treasurer</p> <p>Agreed date: 31 March 2023</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>basis whilst the ledger is on an accrual basis. However no reconciliation has been undertaken.</p> <p>Risk - management cannot gain sufficient assurance as to the reason for pension contribution differences.</p>		

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

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

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

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

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

[Drug and alcohol: An update](#)

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

Glasgow and the Clyde Valley Strategic Development Planning Authority

2021/22 Annual Audit Report – PROPOSED

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www.audit-scotland.gov.uk/accessibility



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

102 West Port
Edinburgh
EH3 9DN

8 Nelson Mandela Place
Glasgow
G2 1BT

The Green House
Beechwood Business Park North
Inverness
IV2 3BL

T: 0131 625 1500

E: info@audit-scotland.gov.uk

www.audit-scotland.gov.uk



Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee

24 October 2022

Audit of 2021/22 annual accounts

Independent auditor's report

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to the receipt of a revised set of annual accounts for final review and a number of outstanding issues to be resolved, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 24 October 2022 (the proposed report is attached at [Appendix A](#)).

Annual audit report

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

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

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

Unadjusted misstatements

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

6. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

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

Representations from Treasurer

- 8.** As part of the completion of our audit, we are seeking written representations from the Treasurer, as section 95 officer, on aspects of the annual accounts, including the judgements and estimates made.
- 9.** A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Treasurer with the signed annual accounts prior to the independent auditor's report being certified.

Appendix A: Proposed Independent Auditor's Report

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Glasgow and the Clyde Valley Strategic Development Planning Authority for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

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

Basis for opinion

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

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue to adopt the

going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on Glasgow and the Clyde Valley Strategic Development Planning Authority's current or future financial sustainability. However, I report on Glasgow and the Clyde Valley Strategic Development Planning Authority's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

Responsibilities of the Treasurer and the Joint Committee for the financial statements

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

In preparing the financial statements, the Treasurer is responsible for assessing Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue Glasgow and the Clyde Valley Strategic Development Planning Authority's operations.

The Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- obtaining an understanding of the applicable legal and regulatory framework and how Glasgow and the Clyde Valley Strategic Development Planning Authority is complying with that framework;
- identifying which laws and regulations are significant in the context of Glasgow and the Clyde Valley Strategic Development Planning Authority;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Glasgow and the Clyde Valley Strategic Development Planning Authority's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

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

102 West Port
Edinburgh
EH3 9DN

8 Nelson Mandela Place
Glasgow
G2 1BT

The Green House
Beechwood Business Park North
Inverness
IV2 3BL

T: 0131 625 1500

E: info@audit-scotland.gov.uk

www.audit-scotland.gov.uk



Appendix B: Letter of Representation (ISA 580)

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

Dear Mark

Glasgow and the Clyde Valley Strategic Development Planning Authority Annual Accounts 2021/22

This representation letter is provided about your audit of the annual accounts of Glasgow and the Clyde Valley Strategic Development Planning Authority for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.

I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Strategic Development Plan Manager the following representations given to you in connection with your audit of Glasgow and the Clyde Valley Strategic Development Planning Authority annual accounts for the year ended 31 March 2022.

General

Glasgow and the Clyde Valley Strategic Development Planning Authority and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Glasgow and the Clyde Valley Strategic Development Planning Authority have been recorded in the accounting records and are properly reflected in the financial statements.

Financial Reporting Framework

The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Glasgow and the Clyde Valley Strategic Development Planning Authority at 31 March 2022 and the transactions for 2021/22.

Accounting Policies & Estimates

All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Glasgow and the Clyde Valley Strategic Development Planning Authority circumstances and have been consistently applied.

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

Going Concern Basis of Accounting

I have assessed Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue as a going concern.

Assets

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

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

Liabilities

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

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

The pension assumptions made by the actuary in the IAS 19 report for Glasgow and the Clyde Valley Strategic Development Planning Authority have been considered and I confirm that they are consistent with management's own view.

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

All information in relation to Glasgow and the Clyde Valley Strategic Development Planning Authority lease/premises arrangements has been made available to you and appropriately reflected in the financial statements.

Contingent liabilities

There are no significant contingent liabilities, other than those disclosed in Note 12 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and IAS 37.

Fraud

I have provided you with all information in relation to:

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

Laws and Regulations

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

Related Party Transactions

All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all Glasgow and the Clyde Valley Strategic Development Planning Authority's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

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

Management commentary

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

Corporate Governance

I confirm that Glasgow and the Clyde Valley Strategic Development Planning Authority has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

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

Events Subsequent to the Date of the Balance Sheet

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

Yours Sincerely,

Treasurer



Glasgow and the Clyde Valley
Strategic Development Planning Authority

Audited Annual Accounts
2021/22

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Management Commentary

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

History and Background

The Glasgow and Clyde Valley Strategic Development Planning Authority (GCVSDPA) was created in 2008, when the Scottish Government established Strategic Development Planning Authorities for each of the four Scottish city regions.

In 2014 the GCVSDPA rebranded as 'Clydeplan' to improve recognition and gain wider resonance within the region. The principal role of Clydeplan is to prepare and maintain an up-to-date Strategic Development Plan (SDP) for the region. This process involves engagement through joint working and consultation with key stakeholder organisations and the wider community.

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

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

The Joint Committee is comprised of two members from each constituent authority. During 2021/22, the Chair of the Joint Committee was Councillor Lawrence

O'Neill of West Dunbartonshire Council and Vice-Chair was Councillor David Wilson of Inverclyde Council.

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

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

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) has a strong relationship with Clydeplan, and an overview of the Partnership is provided at Note 16: Green Network Partnership on page 31.

Strategic Development

The SDP covers a period of 20 years, with the current SDP being approved by Scottish Ministers on 24 July 2017. The SDP sets out a clear vision and spatial strategy for the Glasgow City Region with a focus on the key land use and development. It also sets out a policy framework to help deliver sustainable economic growth and enhance the quality of life in the Glasgow City Region.

Planning (Scotland) Act 2019

The Planning (Scotland) Act 2019 became law on 25 July 2019. The new act places a duty on Local Authorities to prepare '*Regional Spatial Strategies*', rather than SDPs.

The development of this strategy will be influenced and integrated into the Glasgow City Region processes and structures in terms of engagement and

governance through related Portfolio groupings, including:

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

The principle focus for 2022/23 will involve working closely with the Clydeplan's Steering Group and the City Region's Land Use and Sustainability portfolio to support the implementation of the new Planning (Scotland) Act 2019 and related City Region activities including, following approval of the National Planning Framework 4 (NPF4) by the Scottish Parliament (anticipated Autumn 2022) of the development of a Regional Spatial Strategy in 2023.

In support of the development of NPF4 the Joint Committee approved its response to the NPF4 consultation at its meeting held on 14 March 2022.

One of the key elements of the SDP was the development and delivery of Green Network 'Blueprint' across the Glasgow City Region. In this context Clydeplan played a key role in the evolution of the Glasgow and Clyde Valley Green Network Partnership to the 'Strategic Environment Partnership' which aims to add value to those organisations involved in delivering a quality environment for Glasgow City Region by working strategically and in partnership. In support of this Clydeplan agreed to fund the appointment of a Green Network Development Officer on a temporary two-year contract.

In fulfilment of its Minute of Agreement and the existing requirements of the 2006 Planning Act, the Joint Committee approved its Annual Report and its Development Plan Scheme and Participation Statement in March 2022. These documents can be accessed at the following web links:

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

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

The priorities for the future work of Clydeplan will be influenced, amongst other things, by

- the Planning (Scotland) Act 2019 and the requirements in relation to strategic planning in relation to the development of 'Regional Spatial Strategy' and the National Planning Framework 4;
- continued joint working with key stakeholders in support of the delivery of the SDP Spatial Development Strategy and related Action Programme <https://bit.ly/2HehFzV>;
- ongoing developments around Glasgow City Region in terms of governance, subject based portfolios, City Deal and the Glasgow City Region Economic Strategy and Action Plan; and,
- continuing challenges of delivery in the context of reduced financial and local authority planning staff resources.

It is acknowledged that for each of the above there are timescale, resource and funding risks which are out with the direct control of the Joint Committee but through its joint working processes will seek to minimise and mitigate these risks as far as practically possible.

Primary Financial Statements

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

The Annual Accounts summarise the Joint Committee's transactions for the year and its year-

end position at 31 March 2022. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet.

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

Financial Performance

Revenue

The Comprehensive Income and Expenditure Statement (CIES) on page 16 summarises the total costs of providing services and the income available to

fund those services.

The Joint Committee has returned a deficit of £69,764 for the financial year 2021/22. This results in an underspend of £85,436 against the planned deficit of £155,200. This excludes accounting adjustments relating to pensions and short-term accumulating compensated absences.

The difference between the Employee Costs figure below and the figure reported in the CIES is due to the accounting adjustments for pension costs of £105k and accrued employee benefits of (£3k). A summary of the final outturn position against the approved budget for Clydeplan is shown below.

	Budget £	Actual £	Variance £
Employee Costs	493,700	484,257	9,443
Property Costs	24,200	2,295	21,905
Supplies and Services	47,600	25,773	21,827
Support Services	20,500	24,050	(3,550)
Transfer Payments	2,900	2,728	172
Transport Payments	4,500	442	4,058
Total Expenditure	593,400	539,545	53,855
Requisition Income	(419,500)	(419,500)	0
Other Income	(18,700)	(50,281)	31,581
Total Income	(438,200)	(469,781)	31,581
(Surplus)/Deficit for Year	155,200	69,764	85,436

Employee Costs underspent due to the secondment of a post to the City Region Team, which was budgeted until 31 March 2022, ending in December 2021.

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

Supplies and Services underspend is mostly attributable to home-working due to COVID-19. This has resulted in reduced spending on postage, printing and stationery. Further underspends arise in market

research, consultancy and printing of maps and plans, due to the move from SDP to preparing Regional Spatial Strategies.

Other Income is over-recovered mainly due to secondment income from the City Region Team at Glasgow City Council.

Requisition income is break even. A one-off reduction of £20k per authority was agreed at Clydeplan's December 2020 meeting, in order to decrease reserves to an appropriate level.

The Balance Sheet at 31 March 2022

The Balance Sheet sets out the total net worth of the Joint Committee at a snapshot in time. When comparing the net worth of Clydeplan at 31 March 2022 to that of the prior year, an overall increase in net worth of the organisation of £469k can be seen. This is primarily due to the increase in pension asset explained below.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 11: Retirement Benefits. The appointed actuaries have confirmed a net asset position of £168k, an increase of £536k in their assessment of Clydeplan's share of the pension fund asset. This can be attributed to higher than expected investment returns and an increase in the net discount rate (discount rate net of inflation) compared to the previous year's Accounting Date.

Reserves

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

The balance on the Usable Revenue Reserve at 31 March 2022 is £314k.

Outlook and Future Plans

Governance

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

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

The documents relating to the future of Clydeplan can be accessed at the following web link;

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

Budget 2022/23

The 2022/23 budget for ClydePlan was approved by the Joint Committee on 13 December 2021.

Clydeplan expenditure budget has decreased for 2022/23, in line with reductions in Premises Costs and Supplies and Services. Furthermore, in recognition of the high level of reserves, a further reduction of requisition is made in 2022/23 to contributing authorities, totalling £32,500.

COVID-19 Lockdown: Remote Working

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

Conclusion

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

Councillor Lawrence O'Neill

Convener

Stuart Tait

Strategic Development Plan Manager

Alastair MacArthur

Treasurer

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required to:

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

I confirm that these Audited Annual Accounts were approved for signature by the Joint Committee at its meeting on the 24 October 2022.

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

Councillor Lawrence O'Neill
Convener

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

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

Alastair MacArthur
Treasurer

Annual Governance Statement

Scope of Responsibility

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

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

The Joint Committee's Governance Framework

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

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

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

The main features of our governance arrangements are:

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

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

The system includes:

- Financial management is supported by comprehensive financial regulations and codes;
- Comprehensive budgeting systems, and detailed guidance for budget holders;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts;
- The Chief Finance Officer is the Treasurer who complies with the CIPFA Statement on the Role of The CFO in Public Services;
- Clydeplan complies with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and Clydeplan's arrangements for fraud prevention, detection and investigation are managed through Renfrewshire Councils Corporate Counter Fraud Service.

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

Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and

the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Strategic Development Plan Manager, including the use of a self-assessment tool covering five key areas of governance:

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

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

The Joint Committee's internal audit service is provided by the lead authority's internal auditors and operates in accordance with the Public Sector Internal Audit Standards. The lead authority conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019). Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process.

The Chief Internal Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Internal Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems.

The review has not identified any significant governance issues to be reported on for 2021/22 and no actions arising for the 2021/22 governance statement that require to be reported on.

This governance framework has been in place throughout the year. The outbreak of coronavirus (COVID-19) did not result in any changes to the

governance arrangements for 2021/22. During the year officers have moved to a hybrid method of working home with negligible impact on service delivery and this arrangement will continue to be reviewed regularly. Meetings of the Joint Committee were also held virtually. The arrangements in place are still considered to be effective. The risk of social distancing continuing and its potential impact on the governance arrangements continues to be reviewed and monitored through robust risk management arrangements.

Planning (Scotland) Act 2019

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

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

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

The current Clydeplan Strategic Development Plan (July 2017) will remain in force until the National Planning Framework 4 is approved by the Scottish

Parliament, likely in Autumn 2022 with Regional Spatial Strategy Guidance expected to be published in 2023.

The Clydeplan Joint Committee at its meeting held on 8 March agreed that all eight local authorities continue to work jointly to discharge their duty under the Planning (Scotland) Act 2019 to prepare a Regional Spatial Strategy.

Assurance

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

Councillor Lawrence O'Neill
Convener

Stuart Tait
Strategic Development Plan Manager

Remuneration Report

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

Remuneration policy for elected members

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

Remuneration policy for senior employees

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

2020/21 Total Salary, fees and allowances £	Name	Post Held	2021/22 Total Salary, fees and allowances £
79,323	Stuart Tait	Strategic Development Plan Manager	80,678
56,111	Dorothy McDonald	Assistant Strategic Development Plan Manager	56,814
135,434	Total		137,492

The above tables show the relevant amounts, before tax and other deductions, due to each of the persons named for the year to 31 March 2022, whether or not those amounts were actually paid within that period.

Pension rights

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

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

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

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

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

(Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

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

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

Name	Post Held	Accrued Pension benefits as at 31 March 2022				Pension Contributions made by the Joint Committee	
		As at 31 March 2022		Change from 31 March 2021		2021/22	2020/21
		Pension	Lump Sum	Pension	Lump Sum		
		£000	£000	£000	£000	£	£
Stuart Tait	Strategic Development Plan Manager	41	64	2	0	15,500	15,309
Dorothy McDonald	Assistant Strategic Development Plan Manager	29	46	2	1	10,965	10,829

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

Exit Packages

Clydeplan has not agreed any exit packages in either 2021/22 or 2020/21.

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 2021/22, in bands of £5,000.

2020/21 Number of employees	Remuneration Band	2021/22 Number of employees
0	£50,000 - £54,999	0
1	£55,000 - £59,999	1
1	£75,000 - £79,999	1
2	Total	2

Councillor Lawrence O'Neill
Convener

Stuart Tait
Strategic Development Plan Manager

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Glasgow and the Clyde Valley Strategic Development Planning Authority for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

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

Basis for opinion

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

Conclusions relating to going concern basis of accounting

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

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

These conclusions are not intended to, nor do they, provide assurance on Glasgow and the Clyde Valley Strategic Development Planning Authority's current or future financial sustainability. However, I report on Glasgow and the Clyde Valley Strategic Development Planning Authority's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

Responsibilities of the Treasurer and the Joint Committee for the financial statements

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

In preparing the financial statements, the Treasurer is responsible for assessing Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue Glasgow and the Clyde Valley Strategic Development Planning Authority's operations.

The Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Glasgow and the Clyde Valley Strategic Development Planning Authority's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

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

Comprehensive Income and Expenditure Statement

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

2020/21 (restated)				2021/22		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
587,332	0	587,332	Employee Costs	586,030	0	586,030
2,160	0	2,160	Premise Costs	2,295	0	2,295
55,108	0	55,108	Supplies & Services	25,773	0	25,773
19,970	0	19,970	Support Costs	24,050	0	24,050
1,917	0	1,917	Transfer Payments	2,728	0	2,728
371	0	371	Transport Costs	442	0	442
0	(109,759)	(109,759)	Other Income	0	(49,944)	(49,944)
666,858	(109,759)	557,099	Cost of Services	641,318	(49,944)	591,374
0	(1,514)	(1,514)	Financing and Investment Income and Expenditure Interest receivable	0	(337)	(337)
6,000	0	6,000	Pension interest cost	9,000	0	9,000
0	(579,500)	(579,500)	Taxation and Non-Specific Grant Income Requisitions from Member Authorities	0	(419,500)	(419,500)
672,858	(690,773)	(17,915)	(Surplus)/Deficit on the Provision of Services	650,318	(469,781)	180,537
			Other Comprehensive Income & Expenditure Actuarial (Gain)/Loss on pension assets and liabilities			(650,000)
		63,085	Total Comprehensive Income and Expenditure			(469,463)

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

Movement in Reserves Statement

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

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2021		(383,872)	377,332	(6,540)
Total Comprehensive Income and Expenditure		180,537	(650,000)	(469,463)
Adjustment between accounting basis and funding basis under regulation	6	(110,773)	110,773	0
Increase or (decrease) in year		69,764	(539,227)	(469,463)
Balance at 31 March 2022 carried forward		(314,108)	(161,895)	(476,003)

Comparative movements in 2020/21 (restated)	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2020		(279,942)	210,317	(69,625)
Total Comprehensive Income and Expenditure		(17,915)	81,000	63,085
Adjustments between accounting basis and funding basis under regulations	6	(86,015)	86,015	0
Increase or (decrease) in year		(103,930)	167,015	63,085
Balance at 31 March 2021 carried forward		(383,872)	377,332	(6,540)

Balance Sheet

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

As at 31 March 2021 (restated) £		Note	As at 31 March 2022 £
493,396	Funds held by Renfrewshire Council		315,265
15,162	Debtors and Prepayments	7	3,535
508,558	Current Assets		318,800
(134,018)	Creditors And Accruals	8	(10,797)
(134,018)	Current Liabilities		(10,797)
(368,000)	Pension (Liability) / Asset	11	168,000
(368,000)	Long Term (Liabilities) / Assets		168,000
6,540	Net Assets / (Liabilities)		476,003
(383,872)	Usable Reserves		(314,108)
377,332	Unusable Reserves	4	(161,895)
(6,540)	Total Reserves		(476,003)

The unaudited accounts were issued on 27 June 2022 and the audited accounts were authorised for issued on 24 October 2022.

Alastair MacArthur
Treasurer

Note 1: Expenditure Funding Analysis

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

2021/22	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	484,257	105,000	(3,227)	586,030
Premises Costs	2,295	0	0	2,295
Supplies & Services	25,773	0	0	25,773
Support Costs	24,050	0	0	24,050
Transfer Payments	2,728	0	0	2,728
Transport Costs	442	0	0	442
Other Income	(50,281)	0	337	(49,944)
Cost of Services	489,264	105,000	(2,890)	591,374
Other income and expenditure	(419,500)	9,000	(337)	(410,837)
(Surplus)/Deficit on the Provision of Service	69,764	114,000	(3,227)	180,537

2020/21 (restated)	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	507,317	79,000	1,015	587,332
Premises Costs	2,160	0	0	2,160
Supplies & Services	55,108	0	0	55,108
Support Costs	19,970	0	0	19,970
Transfer Payments	1,917	0	0	1,917
Transport Costs	371	0	0	371
Other Income	(111,273)	0	1,514	(109,759)
Cost of Services	475,570	79,000	2,529	557,099
Other income and expenditure	(579,500)	6,000	(1,514)	(575,014)
(Surplus)/Deficit on the Provision of Service	(103,930)	85,000	1,015	(17,915)

Note 2: Prior Year Restatement

Guaranteed Minimum Pension (GMP) pension costs of £21k were incurred but not included in the prior year Primary Statements. This followed a court judgement relating to a contingent liability disclosed in the Annual Accounts 2020/21. As a result, a restatement has been made in the 2020/21 results. In the CIES, Employee costs now include the additional £21k of past service costs charge. The effect on the CIES, presented on page, 16 is as follows:

CIES	Originally Stated at 31 March 2021 £	Restated as at 31 March 2021 £	Amount of Restatement £
Employee Costs	566,332	587,332	21,000
Cost of Services	536,099	557,099	21,000
(Surplus)/Deficit on the Provision of Services	(38,915)	(17,915)	21,000
Total Comprehensive Income and Expenditure	42,085	63,085	21,000

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

Balance Sheet	Originally Stated at 31 March 2021 £	Restated as at 31 March 2021 £	Amount of Restatement £
Pension (Liability) / Asset	(347,000)	(368,000)	(21,000)
Net Assets / (Liabilities)	27,540	6,540	(21,000)
Usable Reserves	356,332	377,332	21,000
Total Reserves	(27,540)	(6,540)	21,000
Net Impact	0	0	0

The following restatement was also required for the Movement in Reserves Statement. The restated prior period Movement in Reserves Statement is provided with the current year information on page 17.

Unusable Revenue Reserve	Originally Stated at 31 March 2021 £	Restated as at 31 March 2021 £	Amount of Restatement £
Balance at 1 April 2020	210,317	210,317	0
Total Comprehensive Income and Expenditure	81,000	81,000	0
Adjustments between accounting basis and funding basis under regulations	65,015	86,015	21,000
Balance at 1 April 2021	356,332	377,332	21,000

Note 3: Accounting Standards Issued not Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

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

Note 4: Unusable Reserves

Pension Reserve

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

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

2020/21 (restated) £	Pension Reserve	2021/22 £
202,000	Balance as at 1 April	368,000
81,000	Actuarial (Gain)/Loss on pension assets and liabilities	(650,000)
85,000	Reversal of items relating to retirement benefits charged to the Surplus or Deficit on the Provision of Services in the CIES	114,000
368,000	Balance as at 31 March	(168,000)

Employee Statutory Adjustment Account

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

2020/21 £	Employee Statutory Adjustment Account	2021/22 £
8,317	Balance as at 1 April	9,332
(8,317)	Reversal of prior year accrual for short-term accumulating compensated absences	(9,332)
9,332	Recognition of the accrual for short-term accumulating compensating absences at 31 March	6,105
9,332	Balance as at 31 March	6,105

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 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

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

The surplus for the year on the Revenue Reserves was £110,773 less than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Joint Committee's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2021/22	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(180,000)	180,000
Employers contributions payable to the Strathclyde Pension Fund	66,000	(66,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	3,227	(3,227)
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(110,773)	110,773

2020/21 (restated)	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(154,000)	154,000
Employers contributions payable to the Strathclyde Pension Fund	69,000	(69,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(1,015)	1,015
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(86,015)	86,015

Note 7: Debtors

As at 31 March 2021 £		As at 31 March 2022 £
	Short-term Debtors	
2,020	Prepayments	1,215
13,142	Other receivables	2,320
15,162	Total	3,535

Note 8: Creditors

As at 31 March 2021 £		As at 31 March 2022 £
	Short-term Creditors	
(9,332)	Trade Payables	(6,105)
(124,686)	Other Payables	(4,692)
(134,018)	Total	(10,797)

Note 9: Related parties

The Joint Committee's related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

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

The service level agreement for these services is £23,200 (2020/21 £23,200). In previous years a proportion of the cost was paid by the Green Network Partnership, however in 2021/22 this was fully absorbed by Clydeplan.

2020/21 £	Council		2021/22 £
72,437.50	East Dunbartonshire	12.5%	52,437.50
72,437.50	East Renfrewshire	12.5%	52,437.50
72,437.50	Glasgow City	12.5%	52,437.50
72,437.50	Inverclyde	12.5%	52,437.50
72,437.50	North Lanarkshire	12.5%	52,437.50
72,437.50	Renfrewshire	12.5%	52,437.50
72,437.50	South Lanarkshire	12.5%	52,437.50
72,437.50	West Dunbartonshire	12.5%	52,437.50
579,500.00	GCVSDPA Funding	100.0%	419,500.00

In addition to requisitions in the table there was income of £49k from Glasgow City for a staff secondment.

Note 10: External audit costs

2020/21 £		2021/22 £
3,040	Fees payable with regard to external audit services carried out by the appointed auditor	3,120
3,040	Total	3,120

Note 11: Retirement Benefits

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

The principal risks to the scheme are assumptions relating to longevity, inflation, and investment performance; in addition, statutory changes to the scheme. These risks are mitigated to an extent by statutory requirements limiting charges to the Council's general fund. The Council has additional liabilities for unfunded discretionary pension payments outside the main schemes such as arrangements for the award of discretionary post-employment benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

11a: Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions. The following transactions have been made in the accounting statements in 2021/22:

2020/21 £ (Restated)		2021/22 £
	Comprehensive Income & Expenditure Statement (CIES)	
127,000	Current service cost	171,000
21,000	Past service cost	0
148,000		171,000
	Financing and Investment Income & Expenditure	
6,000	Net interest	9,000
154,000	Post-employment benefit charged to the Surplus/Deficit on the Provision of Services	180,000
	Other post employment benefit charged to the CIES	
(523,000)	Return on assets excluding amounts included in net interest	(274,000)
604,000	Actuarial (gains)/losses arising on changes in financial assumptions	(376,000)
81,000	Total Actuarial (Gain)/Loss	(650,000)
235,000	Total post employment benefit charged to the CIES	(470,000)
	Movement in Reserves Statement	
(166,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	536,000
69,000	Employers Contributions paid to Strathclyde Pension Fund	66,000

Notes

- **Current service cost** is the cost of future entitlements to pension payments to current employees.
- **Past service cost** is the estimated increase in liabilities arising from current decisions that relates to years of service earned prior to this year.
- In addition to the recognised gains and losses included in the CIES, an actuarial gain of £650k is included in the **Movement in Reserves Statement** (2020/21 £81k loss).
- **Net interest** is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2021/22 these amounted to £9,171 (2020/21 £9,125).

11b: Assets and liabilities in relation to retirement benefits

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

2020/21 (restated) £000		2021/22 £000
4,327	Opening Present Value	5,130
127	Current service cost	171
21	Past Service Cost	0
101	Interest Cost	104
26	Employee Contributions	25
(76)	Benefits Paid	(78)
	Remeasurement (gains)/losses:	
604	Actuarial (gains)/losses arising from changes in financial assumptions	(376)
5,130	Closing Present Value	4,976

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

2020/21 (restated) £000		2021/22 £000
4,125	Opening Fair Value	4,762
95	Interest Income	95
69	Contributions from employer	66
26	Contributions from employee	25
(76)	Benefits Paid	(78)
	Remeasurement gain/(loss):	
523	Return on assets excluding amounts included in net interest	274
4,762	Closing Fair Value	5,144

11c: Fund history

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Present Value of Liabilities	(4,229)	(4,881)	(4,327)	(5,130)	(4,976)
Fair value of assets	4,036	4,295	4,125	4,762	5,144
Surplus/(deficit) in the scheme	(193)	(586)	(202)	(368)	168

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

The net asset of £168k has a significant impact on the net worth of the Joint Committee as recorded in the Balance Sheet. Any deficit on the Strathclyde Pension Fund will be made good by increased contributions

over the remaining working life of employees, as assessed by the Fund actuary. The total contributions expected to be made by the Joint Committee to Strathclyde Pension Fund in the year to 31 March 2022 is £66k.

11d: Basis for estimating assets and liabilities

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

2020/21 £000		%	2021/22 £000
1,086	Equity Securities	22.0%	1,133
877	Private Equity	19.6%	1,007
387	Real Estate	8.4%	434
2,323	Investment Funds and	47.4%	2,439
89	Cash & Cash Equivalents	2.5%	131
4,762		99.9%	5,144

The Joint Committee's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of Actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2022.

The principal assumptions used by the actuary have been:

2020/21	Mortality assumptions	2021/22
Longevity at 65 for current pensioners (years)		
19.8	Men	19.6
22.6	Women	22.4
Longevity at 65 for future pensioners (years)		
21.2	Men	21
24.7	Women	24.5
2020/21 Other assumptions		2021/22
3.6%	Rate of increase in salaries	3.9%
2.9%	Rate of increase in pensions	3.2%
2.0%	Rate for discounting scheme liabilities	2.7%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The limitations of methods and assumptions used are associated with any changes in market conditions that affect the net discount rate. These can have a significant effect on the value of the obligations reported

11e: Guaranteed Minimum Pension (GMP)

The Fund's actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of Clydeplan for financial reporting purposes, and this has been built into the Pension disclosures. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards.

The 2021/22 Pension Fund liability position has been restated to now include the estimated impact of GMP indexation changes (£21k). Pension disclosures had previously not included this adjustment given the uncertainty over the permanent solution that might eventually be agreed upon

11f: 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 2021/22 and 2022/23.

Note 12: Contingent Liabilities

Following two court cases, including Mrs Goodwin v Department for Education, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex

spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be in the range of 0.1%-0.2% of gross obligations, which equates to between £5k and £10k for Clydeplan. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 13: Agency Services

Clydeplan acts on behalf of Clyde Marine as an agent. Funding is sent by Clyde Marine to Clydeplan's bank account and invoices are paid from this funding to Clyde Marine's suppliers. There is no operational input by Clydeplan and no gain or loss to Clydeplan. These funds are not, therefore, included in the financial results of Clydeplan. In 21/22 there was no cash received and it was agreed that Clydeplan would no longer facilitate this service, therefore, the cash was returned to Clyde Marine.

Note 14: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2021/22 financial year and its financial position as at 31 March 2022. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices.

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

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

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

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

B Accruals of Expenditure and Income

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

- Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- Revenue from the provision of services is recognised when the authority satisfies the performance obligation of the transaction, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is

evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected;

- Suppliers' invoices paid in the one week following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

C Contingent Liabilities

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

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

D Employee Benefits

Benefits payable during employment

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

Post-employment benefits

The Joint Committee participates in the Local Government Pension Scheme which is administered by the Strathclyde Pension Fund. The Local Government Pension Scheme is accounted for as a defined benefit scheme, and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information

concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS 19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the payment will be many years into the future.

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

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

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

E Events after the Balance Sheet date

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

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

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

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

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

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

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

G Government Grants and other Contributions

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

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

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

H Non-current Assets

Clydeplan carried out a review during 2021/22 on plant and equipment and intangible assets and deemed that no items currently qualify for recognition. Assets that are held for use in the supply of services or other administrative purposes and are expected to be used for more than one year are classed as property, plant and equipment and intangible assets. Assets costing less than £9,000 are not treated as capital expenditure.

I Provisions

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

provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year.

J Reserves

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

Usable Reserves

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

Unusable Reserves

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

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the Revenue Reserve from accruing for compensated absences earned, but not taken in the year, e.g.,

annual leave entitlement carried forward at 31 March each year.

K Value Added Tax

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

Note 15: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet at 31 March 2022 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension asset of £0.095m, equating to a 2% increase. The carrying value of the pension asset was £0.189m as at 31 March 2022. For further details see Note 10: Retirement Benefits.

Note 16: Green Network Partnership

Overview

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

As well as the Strategic Development Plan Manager, the GCVGNP committee is comprised of senior employees from the eight local authorities. The relationship between the Clydeplan and the GCVGNP is not a joint arrangement and so outside the scope of IFRS 11 (Joint Arrangements).

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

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

Financial Performance

Revenue

GCVGNP has returned a deficit of £13k against a budgeted breakeven, giving a net position of £13k (2020/21 £10k). The deficit is a result of a reduction in income due to the eight local authorities being the only requisitioners and also the Green Network Manager leaving in May 2021 which was an unbudgeted post.

GCVGNP is a significant regional component of the Central Scotland Green Network (CSGN). As a result, the GCVGNP secures additional funding for various projects related to the CSGN. The GCVGNP has been a key partner in the study and planning of the development of the Seven Lochs Wetland Park; however, there was no project expenditure by the GCVGNP in either 2021/22 or 2020/21.

Reserves

The Partnership retains financial reserves to offset any liabilities of the Partnership. The following table shows the value of the Partnerships reserves at 31 March 2022. This is analysed into Usable reserves, which is derived from partnership funding and can be used to fund expenditure, and Unusable reserves, which cannot be used to fund expenditure.

2020/21 (restated)	Reserves	2021/22 £
(113,306)	Usable Reserves	(99,630)
	Unusable Reserves:	
3,109	Employee Statutory Adjustment Account	173
317,000	Pension Reserve	114,000
206,803	Total	14,543

Budget 2022/23

The GNP's 2022/23 budget was approved by the ClydePlan Joint Committee on 13 December 2021.

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

2020/21 £	Council	%	2021/22 £
5,756	East Dunbartonshire	6.0%	5,756
4,900	East Renfrewshire	5.1%	4,900
31,949	Glasgow City	33.2%	31,949
4,451	Inverclyde	4.6%	4,451
17,825	North Lanarkshire	18.5%	17,825
9,311	Renfrewshire	9.7%	9,311
16,992	South Lanarkshire	17.7%	16,992
5,001	West Dunbartonshire	5.2%	5,001
Third Party			
31,627	Scottish National Heritage	0.0%	0
32,577	Scottish Forestry	0.0%	0
7,210	Glasgow Centre for Population Health	0.0%	0
4,809	Scottish Environmental Protection Agency	0.0%	0
18,005	Central Scotland Green Network	0.0%	0
7,000	NHS Health Scotland	0.0%	0
197,413	Total Green Network Partnership Funding	100.0%	96,185