

LANARKSHIRE VALUATION JOINT BOARD

STATEMENT OF ACCOUNTS

2015/2016



LANARKSHIRE VALUATION JOINT BOARD

STATEMENT OF ACCOUNTS 2015/16

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Introduction by the Convener of Lanarkshire Valuation Joint Board

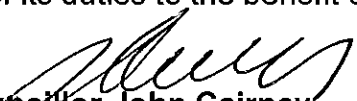
In my fourth year as Convener of the Board I would like to express my grateful thanks to the Assessor and all related staff for their efforts during 2015/16 – the year to 31 March 2016 has again been a busy year for both Board members and staff.

I would like to take the opportunity to commend the work carried out by the Assessor and his staff for the ongoing work in relation to the revaluation of non domestic properties and the work undertaken in connection with the implementation of Individual Electoral Registration.

I would also like to express my thanks to the staff of South Lanarkshire Council, as the lead authority, for continuing to provide an efficient support service to the Board.

North and South Lanarkshire Council Board members continue to work together to ensure that effective decision making has again been undertaken during the financial year.

Moving towards another year, I wish the Board every success in its efforts to effectively fulfil all of its duties to the benefit of the citizens of Lanarkshire.



Councillor John Cairney
Convener – Lanarkshire Valuation Joint Board

Management Commentary 2015/2016

Introduction

The Management Commentary of the Lanarkshire Valuation Joint Board will provide the reader with information on the environment in which the Board operates and on the Board's performance, both operationally and in financial terms.

The following commentary relates to the 2015/16 financial year, a period which proved yet again to be very challenging with in particular increased workload in relation to the annual canvass of electors as a result of the introduction of Individual Electoral Registration (IER), and the requirement to undertake a full scale revaluation of non domestic properties, all against the continued backdrop of budgetary pressures.

Mission and Vision

Mission:

As an independent Local Government organisation, Lanarkshire Valuation Joint Board's mission is to deliver equitable, customer focussed, professional valuation and electoral services to all stakeholders.

Vision:

Our vision is to deliver quality, efficient services to all service users, ensuring completeness and accuracy in the work which we undertake.

In order that we fulfil our Mission and achieve our Vision we will:-

- Ensure that our services are delivered in accordance with all statutory requirements
- Plan service development and delivery in accordance with the principles of efficient government and continuous improvement
- Undertake customer care surveys to assist us in improving our service delivery
- Recognise our employees as both stakeholders and our most important asset
- Take individual and collective responsibility for the services provided by Lanarkshire Valuation Joint Board
- Encourage innovation and recognise achievement within the organisation
- Monitor and report performance levels to stakeholders
- Integrate Equalities issues into all aspects of our service provision
- Undertake our duties having regard to sustainability
- Build on our achievements to date

Accounts Direction

The accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, as supported by International Financial Reporting Standards (IFRS).

Principal Activities

The principal activities of the year 2015/16 centred around three main activity areas. Firstly, within our electoral registration service delivery area, there was the UK Parliamentary General Election, held May 2015, the first major electoral event since the introduction of Individual Electoral registration. The extensive work undertaken by staff as part of the implementation of IER resulted in the efficient and effective delivery of that election. Secondly, the introduction of IER meant that the annual canvass of electors beginning autumn 2015 was the most onerous, in terms of both planning for and the undertaking of, in recent memory; a record number of households were visited as part of the canvass programme as staff concentrated on retaining as many electors as possible prior to the transition to IER ending. The annual canvass was completed in time for the publication of the new electoral registers on 1 December 2015. These challenges were further compounded with the requirement to capture 16 and 17 year olds as part of the extension to the electoral registration franchise for future Scottish elections.

Thirdly, within the valuation service delivery area, the principal activity for the year 2015/16 centred around the revaluation of non domestic properties which is due for completion prior to 1 April 2017, the date when the revaluation figures will become effective from. The project is one of the largest to face Assessor's offices, with the last revaluation coming into effect 1 April 2010. The programme involves an extensive information retrieval exercise coupled with detailed analysis of all information available, leading to the development of Practice and Guidance notes, as well as ensuring harmonisation with the Valuation Office Agency (covering England and Wales). In Lanarkshire, the number of valuation roll entries required to be revalued amounts to circa 19,600, with the additional responsibility of revaluing electricity subjects in accordance with the Non-Domestic Rating (Valuation of Utilities) (Scotland) Order 2005. These subjects account for circa £400m rateable value. The revaluation project is well underway with over 50% of valuation roll entries having now been revalued, the majority of which cover shop, office and industrial subjects.

In respect of non domestic appeal activity, there was a spike in workload associated with the change to drink driving laws in Scotland, with appeals being lodged for licensed premises, predominately public houses as a result of the introduction of the legislation, claiming a material change of circumstances affecting the rateable value of such subjects. The vast majority of such appeals were withdrawn prior to scheduled valuation appeal committee hearings. Decisions of committees of the Lanarkshire Valuation Appeal Panel in connection with non domestic appeals continue to be displayed on the Panel's website (www.lvap.org).

In respect of council tax, 2015/16 saw a marginal increase in the number of new dwellings being entered in the Valuation List and also a small increase in the number of band changes as a result of a dwelling being materially altered and subsequently sold. In respect of council tax appeals, a steady number of cases proceeded through the year to a full hearing by a Committee of the Lanarkshire Valuation Appeal Panel.

Operational Performance

During 2015/16 the Board continued with its commitment to the 'Mission and Vision' statements. They illustrate our continuing emphasis on the services provided by the Joint Board to the people of Lanarkshire, and reflect our commitment to continuous improvement in accordance with the Best Value process. For our valuation service, performance is measured against Key Performance Indicators which have been agreed with the Scottish Government. Performance in each of our key business areas for the year 2015/16 is set out below.

The Valuation Roll (Non Domestic Rating)

The Valuation Roll is a document which sets out the rateable values of all non-domestic properties in the valuation area. The rateable values shown in the Valuation Roll are used by the local authorities as the basis for the calculation of non-domestic rates bills. The Valuation Roll for Lanarkshire in 2015/16 contained as at 1/4/15 19,399 properties with a total rateable value as at 1 April 2015 of circa £938 million.

During the year to 31 March 2016 some 1,367 alterations were made to the Valuation Roll, excluding alterations made as a result of appeal settlements. As at 31/3/16 there were 19,654 entries in the Valuation Roll with a rateable value of around £948 million. The following table illustrates the performance for the year 2015/16 set against in-house targets together with the previous year's performance:

Period	Target 2015/16	Actual 2015/16	Previous Year 2014/15
Within 3 months	75%	85%	88%
Within 6 months	92%	95%	95%

Performance is down slightly from the year 2014/15, however against a backdrop of budgetary pressures and also increased activity in relation to the preparatory work being undertaken in connection with the non domestic revaluation, staff have performed very well to achieve the above figures.

Following consultation with LVJB's management team, and after considering the anticipated workload for the coming period, in particular the continued anticipated preparatory work in connection with the non domestic revaluation planned for 2017, internal targets have been maintained at the following for 2016/17:

Alter Valuation Roll within 3 months	75%
Alter Valuation Roll within 6 months	92%

The Valuation List (Council Tax)

This list shows the addresses of all domestic properties and the allocated Council Tax Band, which is based on the market value of the property as at April 1991. Local Authorities use these Bands to calculate annual council tax bills.

During 2015/16, our staff added 2,081 new dwellings to the Council Tax List. As at 31 March 2016, the list contained 322,389 entries (including domestic garages). Additionally, in accordance with The Council Tax (Alteration of Lists and Appeals) (Scotland) Regulations 1993, some 186 council tax entries had their band increased as a result of a material increase in the value of the dwelling (essentially due to substantial alterations being carried out) and the subsequent sale of the property.

The following table illustrates the performance for the year 2015/16 set against in-house targets and previous years' performance:

Period	Target 2015/16	Actual 2015/16	Actual 2014/15
Within 3 months	85%	98%	95%
Within 6 months	92%	99%	99%

Performance was up from the year 2014/15 with the benefits of the separate council tax sections, set up a few years ago to address the workload challenges associated with maintaining the Valuation List for Council Tax, now being realised in terms of service delivery improvement.

After consideration of the anticipated workload for 2015/16, and in particular the preparatory work required for the non domestic revaluation whereby staff within the council tax sections are also involved, internal targets for the year 2016/17 have been maintained the same as year 2015/16 for entering new houses in the Council Tax list within 3 and 6 months as shown below and illustrated above.

New houses added to Council Tax List within 3 months	85%
New houses added to Council Tax List within 6 months	92%

The Electoral Register

The Electoral Register is a list of people eligible to vote at elections and at 31 March 2016 contained 508,081 electors.

The introduction of Individual Electoral Registration resulted in the most comprehensive door to door visits undertaken as part of the annual canvass of electors. The project involved expanding our pool of canvassers from around 80 to approximately 250, with more households requiring to be visited than would have been the case with previous canvasses. The principal reason for this was the removal of the ability to data match electors from other data sources in order that they could remain on the electoral register. As part of the canvass project, circa 300,000 households were issued with a household enquiry form, followed by approximately 173,000 postal reminders. Following the period allowed for postal reminders to be returned, some 138,000 households were visited – an unprecedented number. On publication of the revised registers on 1st December 2015, approximately 74% of households had made a return. Whilst the canvass costs escalated, principally as a result of the comprehensive door to door visits required, these costs were covered by the UK Cabinet Office as part of the centralised funding in connection with the move from a household electoral registration system to one of individual registration.

Our staff worked tirelessly to ensure that both the onerous canvass project was complete in time for the publication of the revised registers, and also to ensure that as many electors as possible who were not matched to the Department of Works and Pensions database were contacted to make certain that they had every opportunity to remain on the electoral register.

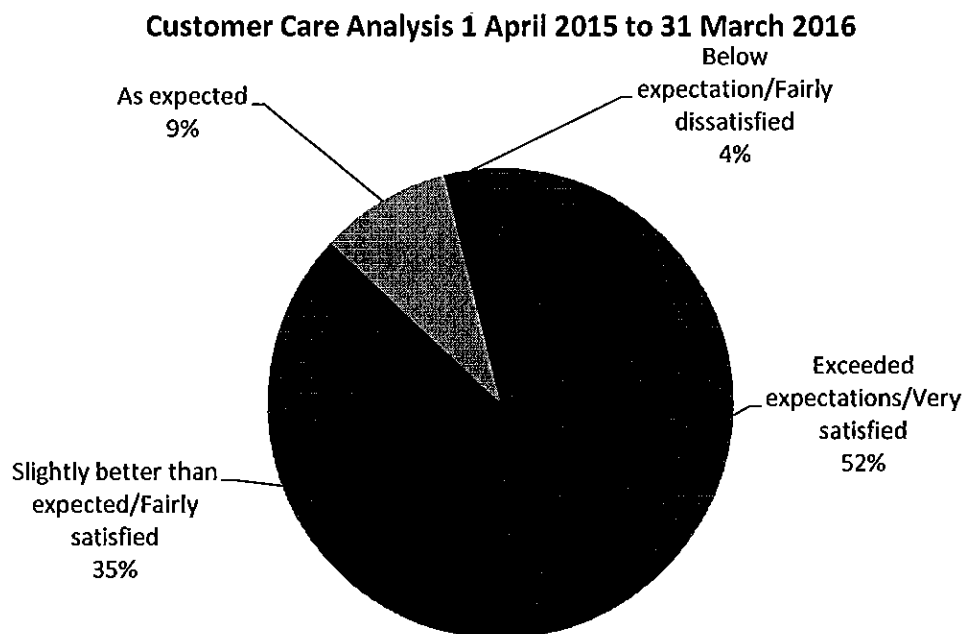
Rolling Registration activity, introduced in 2000 to assist in maintaining the Electoral Register, ensuring that it is as up to date as possible, continued throughout 2015/16 with the bulk of registration applications coming via the central government online registration system (www.gov.uk/register-to-vote). Staff have also been working on initiatives to capture 16 and 17 year olds as part of the extension of the electoral registration franchise for future Scottish elections.

Customer Satisfaction

Users of the Joint Board's services are sampled at random for their comments on the service Lanarkshire Valuation Joint Board provides. The questionnaires include a section on gender, ethnicity and disability to enable service monitoring on equalities issues.

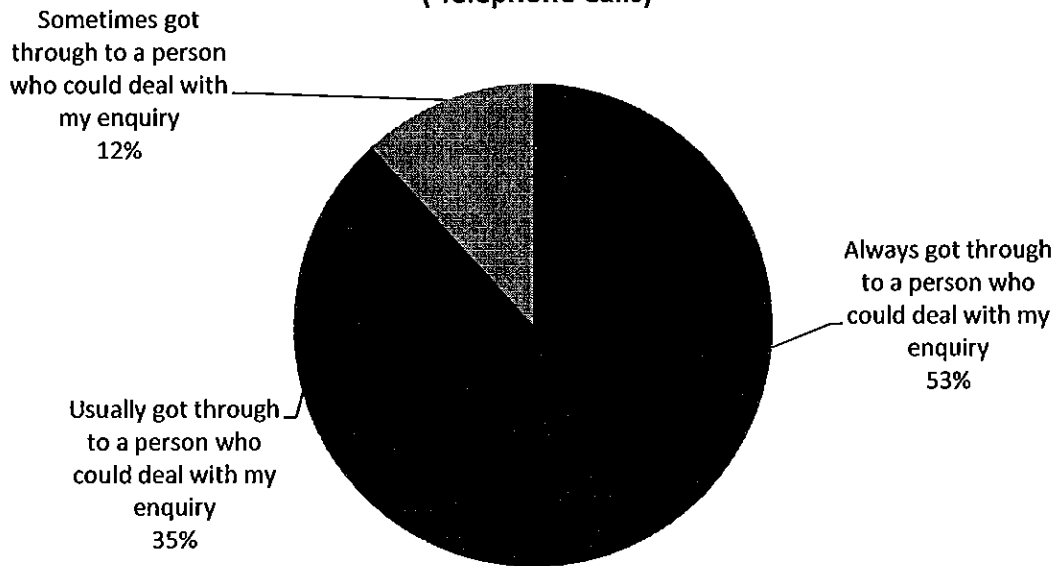
If you receive such a questionnaire, please take the time to complete it and respond. The results of these questionnaire returns are important to us and your comments are used to assist development of Lanarkshire Valuation Joint Board services to meet the needs of our customers.

Results from the 2015/16 Customer Satisfaction Survey are contained in the graphs below and overleaf:



In terms of customer care, no customers responded very poorly/very dissatisfied.

**Customer Care Analysis 1 April 2015 to 31 March 2016
(Telephone Calls)**



In terms of telephone calls, no customers responded rarely got through to a person who could deal with my enquiry or never got through to a person who could deal with my enquiry.

Financial Performance

The Comprehensive Income and Expenditure Statement and its accompanying notes and statements summarise the costs and sources of funding in carrying out the Board's activities.

For 2015/16, the Revenue Expenditure results for the Board show a bottom line Net Operating Surplus of £2.175m (page 12). This is negated by accounting entries which leave the Board with a balanced Comprehensive Income and Expenditure Statement at the end of the financial year. The creditor balance brought forward from 2014/15 included £0.376m of monies owed to the constituent authorities. As a result of operating activity in 2015/16, this creditor has decreased to £0.356m and is detailed in note 8 to the statement of accounts (page 27).

Employee Costs: The costs incurred total £3.018m which represents a significant proportion of the Board's expenditure.

To comply with the IAS 19, the Board's Statement of Accounts disclose certain information concerning assets and liabilities related to pension schemes for its employees. This is explained in Note 1 to the Statement of Accounts.

The major element of the Board's income is in respect of the requisitions levied on North and South Lanarkshire Councils who contribute to the estimated expenditure of the Board. This contribution totalled £3.746m in 2015/16 per Note 5 to the Financial Statement (page 26).

There is no movement in cash for 2015/16, as the cumulative balance is invested in South Lanarkshire Council's Loans Fund. This reflects the practical arrangement that exists between the Board and South Lanarkshire Council where the Council's Loans Fund lends or borrows according to the required cash flow and activities of the Board.

The Statement of Accounting Policies details the policies implemented when compiling and presenting the Comprehensive Income and Expenditure Statement, Balance Sheet and related statements. The accounting policies are those recommended by the Code of Practice on Local Authority Accounting in Great Britain, as supported by the International Accounting Standards.

The Statement of Responsibilities for the Statement of Accounts advises that the Executive Director of Finance and Corporate Resources is designated Treasurer to the Board and is responsible for the proper administration of the Board's financial affairs. Full details of the Treasurer's responsibilities are included in this statement.

The cumulative balance at the end of the year, which is available to the constituent authorities on a 50:50 basis, will be held by the Board, on behalf of the authorities, for utilisation in future years. These monies are reflected as a creditor balance on the Balance Sheet as owing to the constituent authorities, as the Board has no statutory power to carry reserves.

From a financial perspective, the budget for 2016/17 has been agreed by the Board. The Board has set a budget of £4.027m utilising £0.067m from reserves. This is being met by the £0.356m balance being held on behalf of the constituent authorities.

Going Concern: The statutory arrangements for funding the long term deficit in respect of the net pension liability allows the Valuation Board to prepare these accounts as a going concern.

Further information on the Board's finances can be obtained from the Treasurer to the Board, Finance and Corporate Resources, Floor 4, Almada Street, Hamilton, ML3 OAB.

Conclusion and Future Outlook

The year 2015/16 again proved to be very challenging for our organisation, with increased workload and in turn service delivery demands across both electoral registration and valuation service delivery areas, against a backdrop of continued budgetary pressures. These demands have placed some strain on service provision, however both electoral and valuation service delivery areas have responded well to the demands. Staff responded very well to the challenges of the introduction of IER, whilst performance within the valuation service delivery area is at satisfactory levels with in-house targets continuing to be met despite the increase in workload.

With regards to non domestic valuation, whilst performance levels were down from the year 2014/15, this is not unusual in the period leading up to a full non domestic valuation. The challenge for 2016/17 is to ensure that, as this period will also involve significant work being undertaken in relation to the 2017 Revaluation, that performance levels are maintained at year 2015/16 levels. Appeal activity continued at a steady level thorough 2015/16 and is expected to do likewise for 2016/17, prior to the surge in appeals which will materialise once the revalued figures are issued as part on the non domestic revaluation.

In relation to Council Tax, the year 2015/16 saw an increase in the performance in relation to effecting changes to the Valuation List for new houses. Additionally, changes to bandings as a result of a sale of a dwelling following significant alteration, whilst continuing to be very resource intensive, were at similar levels to that of 2014/15. Staff have again performed very well in dealing with all the council tax workload throughout the period.

In Electoral Registration, the biggest challenges were posed by the introduction of IER, and in particular its effect on the annual canvass of electors. A further challenge for our electoral registration service delivery area was the introduction of 16 and 17 year olds within the electoral registration framework for future Scottish elections. Staff coped admirably with the challenges posed throughout the year 2015/16. For the year 2016/17, the challenges remain; to undertake a comprehensive annual canvass of electors under the new system of registration whilst unable to use other data sources to retain electors; and to maximise registration levels for the new registration franchise for Scottish Elections. The different franchises for differing electoral events will pose a challenge for the different electoral events scheduled for the 2016/17 year. Adequate funding from the UK Cabinet Office will be key to ensuring that the continued challenges posed by the introduction of IER, and in particular the ability to undertake another comprehensive door to door canvass, is successfully met.

The Board and its staff will continue to work closely with North and South Lanarkshire Councils, the Scottish Assessors' Association through its various standing committees and working groups, and all other stakeholders to ensure that shared services are delivered where appropriate, and principally that service users of Lanarkshire Valuation Joint Board receive equitable, customer focused professional services from our organisation.

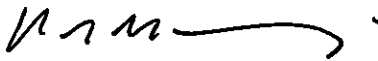
Web Site

The Board's web site (www.lanarkshire-vjb.gov.uk) includes a host of useful information. There is the facility to download application forms relating to Electoral Registration. Additionally, the site contains useful information on the Assessor's functions and the processes involved in making appeals against entries in the Valuation Roll and Council Tax List. The web site is compatible with mobile devices.

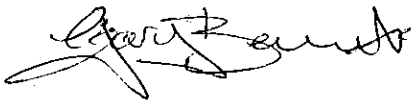
The web site has useful links to North and South Lanarkshire Council's web sites, and to the Scottish Assessor's Association Portal (www.saa.gov.uk), which provides a single point access to Non-Domestic Rating, Council Tax and Electoral Registration information on a Scotland-wide basis.

Equal Opportunities

Lanarkshire Valuation Joint Board is committed to achieving equal opportunities in all aspects of our business and in relationships with our service users and other stakeholders. This means ensuring that services, facilities, and employment opportunities are accessible and receptive to the values and the diversity needs within the community. In meeting this commitment, we shall aim to prevent – as well as eliminate – any form of discrimination that occurs in the workplace or in service delivery. We also aim to provide good quality services which users can access freely without prejudice, discrimination and/or harassment. Details of our Equal Opportunities policy and our Mainstreaming Equalities report can be viewed on our website, together with our employee information report.

Contacting Lanarkshire Valuation Joint Board**Address: Lanarkshire Valuation Joint Board****North Stand****Cadzow Avenue****HAMILTON****ML3 0LU****Telephone: 01698 476000****Fax: 01698 476010****E-mail: assessor@lanarkshire-vjb.gov.uk****Web site: www.lanarkshire-vjb.gov.uk**

**Paul Manning
Treasurer
Lanarkshire Valuation Joint Board**



**Gary Bennett
Assessor and Electoral Registration Officer
Lanarkshire Valuation Joint Board**

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Valuation Board, analysed into usable reserves and unusable reserves.

	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2014	0	0	(4,337)	(4,337)
Movement in Reserves during 2014/15				
Cost on the Provision of Services	(333)	(333)	0	(333)
Other Comprehensive Income and Expenditure	(1,021)	(1,021)	0	(1,021)
Total Comprehensive Income and Expenditure	(1,354)	(1,354)	0	(1,354)
Adjustment between Accounting Basis and funding Basis under Regulations	1,354	1,354	(1,354)	0
Net Decrease before Transfers to/from Earmarked Reserves	0	0	(1,354)	(1,354)
Transfers to/from Earmarked Reserves	0	0	0	0
Increase in 2014/15	0	0	(1,354)	(1,354)
Balance at 31 March 2015 carried forward	0	0	(5,691)	(5,691)
	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2015	0	0	(5,691)	(5,691)
Movement in Reserves during 2015/16				
Cost on the Provision of Services	(378)	(378)	0	(378)
Other Comprehensive Income and Expenditure	2,553	2,553	0	2,553
Total Comprehensive Income and Expenditure	2,175	2,175	0	2,175
Adjustment between Accounting Basis and funding Basis under Regulations	(2,175)	(2,175)	2,175	0
Net Increase before Transfers to/from Earmarked Reserves	0	0	2,175	2,175
Transfers to/from Earmarked Reserves	0	0	0	0
Decrease in 2015/16	0	0	2,175	2,175
Balance at 31 March 2016 carried forward	0	0	(3,516)	(3,516)

Comprehensive Income and Expenditure Statement for year ended 31 March 2016

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2014/15		2015/16	<small>note</small>
Actual		Actual	
£000		£000	
2,779	Employee Costs	3,018	
349	Property Costs	349	
147	Supplies and Services	133	
785	Administration Costs	791	
17	Payment to Other Bodies	17	
9	Financing Charges	10	
<hr/>		<hr/>	
4,086	Total Expenditure	4,318	
(3,942)	Income	(4,125)	
<hr/>		<hr/>	
144	Net Cost on Services	193	
189	Financing and Investment Income and Expenditure	185	
<hr/>		<hr/>	
333	Deficit on the Provision of Services	378	
1,021	Actuarial (Gains)/Losses on pension liabilities	(2,553)	1
<hr/>		<hr/>	
1,354	Total Comprehensive Income and Expenditure	(2,175)	

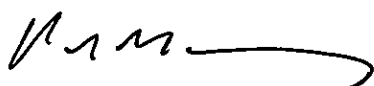
Balance Sheet as at 31 March 2016

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Valuation Board.

31 March 2015 £000		31 March 2016 £000	note
	<u>Current Assets</u>		
24	Debtors	24	7
392	Investment in South Lanarkshire Council Loans Fund	367	6
416	<u>Total Assets</u>	391	
	<u>Current Liabilities</u>		
(426)	Creditors	(401)	8
(426)	Total Current Liabilities	(401)	
(10)	Total Assets less Current Liabilities	(10)	
	<u>Long Term Liabilities</u>		
(5,681)	Pension Liability	(3,506)	1
(5,691)	Total Assets less Liabilities	(3,516)	
	Financed by :		
	<u>Unusable Reserves</u>		
(5,681)	Pension Reserve	(3,506)	2
(10)	Accumulating Compensated Absences Reserve	(10)	2
(5,691)		(3,516)	

The notes on pages 14 to 28 form part of the financial statements.

The unaudited accounts were approved for issue by the board on 6 June 2016, and the audited accounts were authorised for issue on 5 September 2016. The audited accounts are signed on behalf of the board by:



Paul Manning
Treasurer - Lanarkshire Valuation Joint Board
5 September 2016

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Joint Board during the reporting year. The statement shows how the Joint Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the Joint Board.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Joint Board's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Joint Board.

2014/15		2015/16
£000		£000
333	Net deficit on the provision of services	378
(174)	Adjust net deficit or surplus on the provision of services for non cash movements (note 11)	(403)
159	Net cash flows (used in)/from Operating Activities	(25)
(159)	Net cash flows (used in)/from Investing Activities (note 10)	25
0	Net increase or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the reporting year	0
0	Cash and cash equivalents at the end of the reporting year	0

Remuneration Report

The Local Authority Accounts (Scotland) Regulations 2014 require local authorities in Scotland to prepare a Remuneration Report as part of the annual statutory statement of accounts.

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for Chief Officers of Scottish Local Authorities. Circular CO/144 sets the amount of salary for Chief Officers.

Banding	Number of Employees 2015/16	Number of Employees 2014/15
£50,000 - £54,999	1	1
£55,000 - £59,999	1	1
£60,000 - £64,999	2	2
£65,000 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	0	0
£95,000 - £99,999	0	0
£100,000 - £104,999	0	1
£105,000 - £109,999	0	0
£110,000 - £114,999	1	0

Senior Officers

Name / Post	Salary / Fees	Expenses Allowance	Compensation For Loss of Office	Any Other Remuneration	2015/16 Total	2014/15 Total
G Bennett Assessor and Electoral Registration Officer	£111,930	0	0	0	£111,930	£106,467
D Combe Assistant Assessor and Electoral Registration Officer	£64,976	0	0	0	£64,976	£61,668
J Neason Assistant Assessor and Electoral Registration Officer	£64,807	0	0	0	£64,807	£61,668
Total	£241,713	0	0	0	£241,713	£229,803

The senior employees included in the table include any local authority (Board) employee:

- Who has responsibility for management of the local authority (Board) to the extent that the person has power to direct or control the major activities of the authority (Board) (including activities involving the expenditure of money), during the year to which the report relates, whether solely or collectively with other persons,
- Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989, or
- Whose annual remuneration, including remuneration from a local authority subsidy body, is £150,000 or more.

Councillors

The Convenor and Vice-convenor of the Lanarkshire Valuation Joint Board are remunerated by the Council of which they are a council member.

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2015 (SSI Number 2015/7). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. These regulations also set out the amounts a councillor may be paid for being a convenor or vice-convenor of a Joint Board. This is inclusive of any amount payable to them as either a councillor or senior councillor.

The Board has an arrangement with each Council who remunerates the Convenor and Vice Convenor/s to reimburse the Council for the additional costs of that councillor arising from them being a Convenor or Vice-Convenor of the Board. The disclosures made in this report are limited to the amounts paid to the Council by the Board for remuneration and does not reflect the full value of the remuneration that may be paid to the councillor.

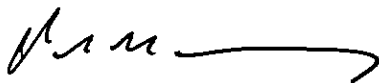
Name / Post	Salary / Fees	Expenses Allowance	Compensation For Loss of Office	Any Other Remuneration	2015/16 Total	2014/15 Total
J Cairney Convenor	£4,171	0	0	0	£4,171	£4,130
S Griffin Vice Convener From 1 June 2015 to 8 March 2016	£2,424	0	0	0	£2,424	0
G O'Rorke Vice Convener From 2 June 2014 to 26 March 2015	0	0	0	0	0	£2,740
Total	£6,595	0	0	0	£6,595	£6,870

Pension Rights

Pension benefits for councillors and Lanarkshire Valuation Joint Board (LVJB) employees are provided through the Local Government Pension Scheme (LGPS). Prior to 1 April 2015 for LVJB employees this was a final salary pension scheme. As of 1 April 2015, pension benefits for LVJB employees are based on career average pay. The employee's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay.

There are no pension rights applicable to the Convenor or Vice Convenors to the Board.

Name / Post		Accrued Pension Benefits March 2016	Movement in accrued pension benefits since 31 March 2015	Pension Contribution made by Board 2015/16	Pension Contribution made by Board 2014/15
G Bennett Assessor and Electoral Registration Officer	Pension Lump Sum	£45,906 £98,685	£2,853 £1,465	£20,858	£20,548
D Combe Assistant Assessor and Electoral Registration Officer	Pension Lump Sum	£32,347 £73,759	£2,662 £3,204	£12,442	£11,902
J Neason Assistant Assessor and Electoral Registration Officer	Pension Lump Sum	£29,358 £64,791	£2,673 £2,815	£12,442	£11,902
Total				£45,742	£44,352



Paul Manning
Treasurer – Lanarkshire Valuation Joint Board
5 September 2016

Notes to the Statement of Accounts

1 Employee Pension Scheme

Unfunded Pension payment of £23,000 relates to Unfunded Pension Payments and Enhanced Payments to Strathclyde Pensions Fund, this all relates to recurring costs.

In accordance with IAS 19 – Retirement Benefits the Valuation Board is required to disclose certain information concerning assets and liabilities related to pension schemes for its employees.

The Valuation Board is required to follow IFRS in accounting for pension costs. IAS 19 is therefore incorporated into the Code of Practice on Local Authority Accounting in the United Kingdom, as supported by the International Financial Reporting Standards (IFRS).

The assets and liabilities of the Board are provided for by the Board's Actuary (Hymans Robertson LLP). Future rates of employer contributions to the Scheme are also dictated by the Actuary and contained within Actuarial Valuation Reports.

Under the direction of the Accounting Code Of Practice (ACOP), as supported by the IFRS, the Board is required to disclose additional information in relation to Pension Costs as set out below.

Participation in Pensions Schemes

As part of the terms and conditions of employment, the Board offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments that needs to be disclosed at the time that the employees earn their future entitlement.

The Board participates in the Local Government Pension Scheme (Strathclyde Pension Fund) for civilian employees, administered by Glasgow City Council – this is a funded scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Transactions Relating to Retirement Benefits

We recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

The following transactions have been made in the Income and Expenditure Account and Statement of Movement in the General Fund Balance during the year:

	2015/16 £000	2014/15 £000
Comprehensive Income and Expenditure Statement		
Cost of Services:		
• current service cost	(575)	(515)
• past service gains	0	0
• Losses on Curtailments and Settlements	0	0
Financing and Investment Income and Expenditure		
• net interest expense	(185)	(189)
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(760)	(704)
Other Post Employment Benefits Charged to the Comprehensive Income and Expenditure Statement		
• expected (loss)/return on pension fund assets	(109)	731
• actuarial gains and (losses) arising on changes in demographic assumptions	0	(748)
• actuarial gains or (losses) arising on changes on financial assumptions	2,504	(2,681)
• actuarial gains or (losses) arising on changes in other experience	158	1,677
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	1,793	(1,725)
Movement in Reserves Statement		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	760	704
Actual amount charged against the General Fund balance for pensions in the year:		
• employers' contributions payable to the scheme	(382)	(367)

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Lanarkshire Valuation Joint

Board's obligation in respect of its defined benefit plan is as follows:

	2015/16	2014/15
	£000	£000
Present value of the defined benefit obligation	(22,246)	(23,798)
Fair value of pension fund assets	18,740	18,117
Net Liability arising from Defined Benefit Obligation	(3,506)	(5,681)

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	2015/16	2014/15
	£000	£000
Opening balance at 1 April	23,798	20,952
Current Service Cost	575	515
Interest Cost	767	904
Contributions by Members	124	120
Re-measurement gains and losses		
• actuarial gains/losses from changes in demographic assumptions	0	748
• actuarial gains/losses arising from changes in financial assumptions	(2,504)	2,681
• actuarial gains/losses arising from changes in other experience	(158)	(1,677)
Past Service Gains	0	0
Settlements and Curtailments	0	0
Estimated Unfunded Benefits Paid	(23)	(23)
Estimated Benefits Paid	(333)	(422)
Closing balance at 31 March	22,246	23,798

Reconciliation of fair value of the scheme plan assets:

	2015/16	2014/15
	£000	£000
Opening Fair Value of Pension Fund Assets	18,117	16,629
Interest income	582	715
Re-measurement gains and losses		
• expected Return on pension fund assets	(109)	731
• actuarial gains and losses	0	0
The effect of changes in foreign exchange rates	0	0
Contributions by Members	124	120
Contributions by the Employer	382	367
Contributions in respect of Unfunded Benefits	(23)	(23)
Benefits Paid	(333)	(422)
Closing Fair Value of Employer Assets	18,740	18,117

Analysis of Scheme Assets

Share of the scheme assets at 31 March 2016 comprised:

	31 March 2016			31 March 2015		
	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000
Cash & Cash Equivalents	626	20	646	0	445	445
Equity Instruments	6,818	15	6,833	6,642	14	6,656
Debt Instruments	0	0	0	0	0	0
Real Estate	0	2,013	2,013	0	1,655	1,655
Derivatives	5	0	5	6	0	6
Private Equity	0	1,822	1,822	0	1,763	1,763
Investment Funds	169	7,252	7,421	197	7,395	7,592
Asset Backed Securities	0	0	0	0	0	0
Structured Debt	0	0	0	0	0	0
Total Assets	7,618	11,122	18,740	6,845	11,272	18,117

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, to provide an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme has been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates for the Strathclyde Pension Fund being based on the latest valuation of the scheme as at 31 March 2014.

The principal assumptions used by the actuary have been:

Long-term expected rate of return on assets in the scheme	2015/16	2014/15
Equity Investments	3.6%	3.2%
Bonds	3.6%	3.2%
Property	3.6%	3.2%
Cash	3.6%	3.2%
Mortality Assumptions		
Longevity at 65 for current pensioners		
Men	21.1 years	21.1 years
Women	23.6 years	23.6 years
Longevity at 65 for future pensioners		
Men	24.8 years	24.8 years
Women	26.2 years	26.2 years
Rate of inflation / pension increase rate	2.2%	2.4%
Rate of Increase in salaries	4.2%	4.3%
Rate for discounting scheme liabilities	3.5%	3.2%
Take up option to convert annual pension into retirement lump sum Pre April 2009 / (Post April 2009)	50% (75%)	50% (75%)

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses overleaf have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The methods and types of assumption used in preparing the sensitivity analysis overleaf did not change from that used in the previous period.

Sensitivity Analysis

	Impact on the Defined Benefit Obligation in the fund			
	Increase in assumption		Decrease in assumption	
	£000	%	£000	%
0.5% decrease in Real Discount Rate			2,744	12%
1 year increase in member life expectancy	667	3%		
0.5% increase in the Salary Increase Rate	1,158	5%		
0.5% increase in the Pension Increase Rate	1,514	7%		

Asset and Liability Matching (ALM) Strategy

The Fund has an asset and liability matching strategy (ALM) that matches, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. The Fund has matched assets to the pensions' obligations by investing in long-term fixed interest securities and index linked gilt edged investments with maturities that match the benefits payments as they fall due. A large proportion of the assets relate to equities (74%) and bonds (12%). The scheme also invests in properties (11%) and cash (3%). The comparative year's figures for equities and bonds are 66% and 13% respectively. The ALM strategy is monitored annually or more frequently if necessary.

Impact on the Authorities Cash Flow

The objectives of the fund are to keep employers' contributions at as constant a rate as possible. Employers' contributions have been set at the following proportion of employees' rates for the next year 2016-2017 19.3%. The next triennial valuation is due to be completed on 31 March 2017.

The Fund will need to take account of impending national changes to the Local Government Pension Scheme in Scotland such as the move to a new career average revalued earnings (CARE) scheme.

The total contributions expected to be made by the Lanarkshire Valuation Joint Board to Strathclyde Pension Fund in the year to 31 March 2017 is £0.359 million.

The weighted average duration of the defined benefit obligation for Fund members is 21.9 years.

2 Balance Sheet – Unusable Reserves

	2015/16 £000	2014/15 £000
Pension Reserve	(3,506)	(5,681)
Accumulating Compensated Absences Reserve	(10)	(10)
Total Unusable Reserves	(3,516)	(5,691)

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. Lanarkshire Valuation Joint Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as Lanarkshire Valuation Joint Board makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in benefits earned by past and current employees and the resources that Lanarkshire Valuation Joint Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2015/16 £000	2014/15 £000
Balance at 1 April	(5,681)	(4,323)
Actuarial (losses) / gains on pensions assets and liabilities	2,553	(1,021)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(760)	(704)
Employer's pensions contributions and direct payments to pensioners payable in the year	382	367
Balance at 31 March	(3,506)	(5,681)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the balance carried forward from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the balance carried forward is neutralised by transfers to or from the account.

	2015/16 £000	2014/15 £000
Balance at 1 April	(10)	(14)
Amounts accrued at the end of the financial year	0	4
Balance at 31 March	(10)	(10)

3 Payments to South and North Lanarkshire Councils

The Board makes payments to South Lanarkshire Council for the rental of property and support services and to the relevant Council for the Convenor's and Vice Convenor's Allowances and Expenses.

	2015/16 £000	2014/15 £000
Apportionment of Central Support Expenses - Property		
South Lanarkshire Council:		
– Office Accommodation	343	342
Total Payments to SLC in Respect of Property:	343	342
Apportionment of Central Support Expenses - Administration		
– South Lanarkshire Council:		
– Information Technology	76	76
– Administration Services	28	28
– Personnel	26	25
– Finance	26	25
– Convenor's/Vice Convenor's Allowances and Expenses	4	4
	<u>160</u>	<u>158</u>
North Lanarkshire Council:		
– Convenor's/Vice Convenor's Allowances and Expenses	2	3
Total Payments to Councils in Respect of Administration	162	161
Total Payments:	505	503

4 Auditors' Remuneration

	2015/16 £000	2014/15 £000
Auditors' Remuneration		
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor (PricewaterhouseCoopers LLP)	8	8

5 Related Party Transactions

Joint Boards must keep separate account of agreements entered into under this legislation. Income and Expenditure on services during 2015/16 amounted to £3.746m and £0.505m respectively. Details of the public bodies are listed below.

	2015/16		2014/15	
	Income £000	Expenditure £000	Income £000	Expenditure £000
South Lanarkshire Council	1,873	503	1,873	500
North Lanarkshire Council	1,873	2	1,873	3
	3,746	505	3,746	503

6 Financial Instruments

The Investment disclosed in the Balance Sheet is classified within the following financial instrument category:

	2015/16 £000	2014/15 £000
Investments Maturing within 12 Months	367	392

For Investments prevailing benchmark rates have been used to provide the fair value. Where an instrument has a maturity of less than 12 months the fair value is taken to be the principal outstanding.

As the investment is held within South Lanarkshire Council this investment has been given an AAA credit risk rating.

7 Debtors

The debtors figure is analysed as follows:-

	2015/16 £000	2014/15 £000
South Lanarkshire Council:		
Information Technology - Annual Support & Maintenance	17	17
Corporate Hub & Spoke Exchange	7	7
	24	24

8 Creditors and Accruals

The Creditors figure is analysed as follows:-

	2015/16 £000	2014/15 £000
Valuation Appeal Panel Fees	22	19
Royal Mail	4	0
Vice Convenor Salary	2	3
Balance held on behalf of both North Lanarkshire Council and South Lanarkshire Council	356	376
Accumulated Compensated Absences Reserve	10	10
Other	7	18
	401	426

9 Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following:

	2015/16 £000	2014/15 £000
Interest received	2	2
Net Cash Flows from operating activities	2	2

10 Cash Flow Statement – Investing Activities

	2015/16 £000	2014/15 £000
Purchase/Disposal of short-term and long-term investments	25	(159)
Net cash flows from investing activities	25	(159)

11 Cash Flow Non Cash Movements

Description	2015/16 £000	2014/15 £000
Accumulated Compensation Absence Adjustment	0	4
IAS 19 Adjustments	(378)	(333)
Movement in Debtors	0	0
Movement in Creditors	(25)	155
Total	(403)	(174)

12 Financing and Management of Liquid Resources

Liquid Resources are held by South Lanarkshire Council as lead authority and are available to the Board as required.

13 Going Concern

As at the end of March 2016, the Balance Sheet of the Board shows a Net Liability position of £3.516m. This is made up of a Long Term Pension liability of £22.246m and an Accumulated Compensation Absence Reserve of £0.010m, offset in part by a Long Term Pension asset of £18.740m.

Statutory arrangements for funding the long term deficit in respect of the net pension liability are detailed in Note 1 to the Accounts (page 18).

14 Date of Signing of the Statement of Accounts

The accounts were authorised by the Executive Director (Finance and Corporate Resource), Treasurer to the Lanarkshire Valuation Joint Board on 5 September 2016.

15 Post Balance Sheet Events

The statement of accounts were authorised for approval by the Executive Director (Finance and Corporate Resources), Treasurer to the Lanarkshire Valuation Joint Board on 5 September 2016. There were no events that occurred between 1 April 2016 and the date that the accounts were authorised for approval.

Statement of Accounting Policies

(a) General

Lanarkshire Valuation Joint Board is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. The general policies adopted in compiling and presenting the Accounts are those recommended by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC), supported by International Financial Reporting Standards (IFRS). There are no significant departures from those recommendations.

The Statement of Accounts has been prepared under the historic cost convention. All accounting policies have been applied consistently.

(b) Debtors and Creditors

Accruals basis

The income and expenditure account is compiled on an accruals basis. Income and expenditure activities are accounted for in the year which they take place, not simply when payments are made or received. Where goods and services have been sold but the income not received by end 31 March 2016 or goods have been received but not paid for by end March 2016 then the income and expenditure account has been amended to reflect the outstanding amounts and a debtor or creditor for the relevant amount is recorded in the balance sheet.

(i) Debtors

All specific and material sums payable to the Board have been brought into account.

(ii) Creditors

Sundry Creditors are accrued on the basis of payments made during the first three weeks following 31 March 2016; together with specific accruals in respect of further material items.

(iii) Accumulating Compensated Absences

IAS 19 states that 'an organisation should account for employment benefits when employees earn them and the authority is committed to providing them, even if the actual provision might be in future years.' All salaries and wages earned up to 31 March 2016 are included irrespective of when actual payments were made. The requirements of IAS 19 have been fully applied in the current year, in respect of annual leave provision, including recognition of the net liability and an accumulating compensated absences reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Account for movements in the liability relating to the scheme.

(iv) Pension Costs

The Board participates, through South Lanarkshire Council, in the Local Government Superannuation Scheme, which is managed by Glasgow City Council.

The cost of providing pensions for employees is charged to the revenue account in accordance with the statutory requirements governing the particular pension schemes to which the Board contributes.

The requirements of IAS 19 have been fully applied in the current year, including recognition of the net liability and a pensions reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Account for movements in the liability relating to the scheme. Previous year budget and expenditure information has been provided to allow comparability.

In assessing liabilities for retirement benefits for the 2015/16 Statement of Accounts, discount rate based on the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme was used. The Actuary has advised that a rate of 3.6% per annum is appropriate (2014/15 - 3.2%).

Actuarial Gains and Losses – changes in the net pension liability that arise because of events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pension Reserve.

(c) Allocation of Central Support Expenses

The allocation of Central Support Expenses is the cost of those South Lanarkshire central support departments which provide a service to the Board. The individual support departments are Administration Services, Personnel, Information Technology and Finance Services. The method of allocation is determined by each individual department and in most instances is a time based allocation of employee costs or the recharge of actual costs incurred. The recharge is made on a consistent basis.

(d) Borrowing Facilities

The Board is a separate legal entity and has South Lanarkshire Council as its lead authority. The loans' fund of South Lanarkshire Council acts as banker to the Board and consequently lends or borrows according to the required cash flow and activities of the Board.

(e) Financial Instruments

For Investments due within 12 months prevailing benchmark rates have been used to provide the fair value. Where an instrument has a maturity of less than 12 months the fair value is taken to be the principal outstanding.

Creditors due within 12 months are not classed as a financial instrument.

Statement of Responsibilities for the Statement of Accounts

The Lanarkshire Valuation Joint Board's Responsibilities

The Lanarkshire Valuation Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

I confirm that these Annual Accounts were approved for signature by the Board at its meeting on 5 September 2016.



Councillor John Cairney
Convener – Lanarkshire Valuation Joint Board
5 September 2016

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code.

The Treasurer has also:

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

This statement of accounts gives a true and fair view of the financial position of the Lanarkshire Valuation Joint Board at 31 March 2016 and its income and expenditure for the year ended 31 March 2016.

Paul Manning
Treasurer – Lanarkshire Valuation Joint Board
5 September 2016

Statement on Governance and Internal Control

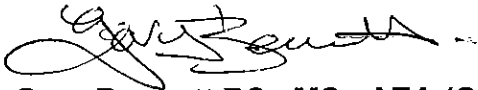
1. The statement is given in respect of the Statement of Accounts for Lanarkshire Valuation Joint Board. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Board. In particular, the system includes:
 - Appropriate budgeting systems
 - Regular reviews of periodic and annual financial reports which indicated financial performance against the forecasts
 - Setting targets to measure performance
 - The preparation of regular financial reports which indicate actual expenditure against the forecasts; and
 - Defined capital expenditure guidelines
4. The role of Internal Audit is key to providing comfort that the core elements of the internal control framework are adhered to. Lanarkshire Valuation Joint Board purchases an Internal Audit Service from South Lanarkshire Council under the terms of a Service Level Statement. Findings are independently reported to me and the Treasurer, the Clerk to the Board and the full Board.

A programme of work is undertaken to cover exploration of key financial and operational systems used in the Valuation Joint Board, to investigate reported frauds and assist in management of risks. Sound and useful recommendations result, which help management to improve their control environment as well as providing an assessment of the adequacy of existing systems and procedures. This is provided in a year-end report to the Board. Work is programmed to areas of greatest risk to the Valuation Joint Board.

I understand that the Internal Audit Service is bound by the CIPFA Code of Practice and monitors its own performance through a system of indicators.

5. My review of the effectiveness of the system of internal financial control is informed by:
 - The work of managers within the Board;
 - The work of internal auditors as described above; and
 - The external auditors in their annual audit letter and other reports.

6. It is my view that the systems for internal control were effective during 2015/16 and will continue to be improved through implementation of the recommended actions from Internal and External Audit Reports. There were no significant weaknesses identified in the Annual Audit Report relating to improvements requiring action in 2015/16.



Gary Bennett BSc MSc AEA (Cert-Scotland) MRICS IRRV (Hons)
Assessor and Electoral Registration Officer
Lanarkshire Valuation Joint Board
5 September 2016



Councillor John Cairney
Convener – Lanarkshire Valuation Joint Board
5 September 2016

Independent auditor's report to the members of Lanarkshire Valuation Joint Board and the Accounts Commission for Scotland

We certify that we have audited the financial statements of Lanarkshire Valuation Joint Board for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the 2015/16 Code).

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the body and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the body as at 31 March 2016 and of the income and expenditure of the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 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.

Opinion on other prescribed matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Annual Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.



Martin Pitt, (for and on behalf of PricewaterhouseCoopers LLP)
141 Bothwell Street
Glasgow
G2 7EQ

5 September 2016

Glossary of Terms

Much of the terminology used in this Report is intended to be self-explanatory, however, the following additional definition and interpretation of terms used may be helpful:-

1. Employee costs

This includes salaries, wages, overtime, enhancements, employer's pension and national insurance, travelling and subsistence expenses and other staff allowances.

2. Property costs

This includes rent and rates, property insurance, repair and maintenance of property, upkeep of grounds, heating and lighting, furnishings and fittings and allocations of accommodation costs as appropriate.

3. Supplies and services

This includes materials, books, the purchase and maintenance of equipment (including IT/computer equipment) and tools and various services carried out by external contractors.

4. Administration costs

This includes printing and stationery, advertising, postages, telephone costs and central support services allocations for administration.

5. Payments to other bodies

This includes payments to other organisations and agencies providing services complementing or supplementing the work of the Board.

6. Financing charges

This represents the operating leasing costs for Information Technology (IT) Equipment.

7. Borrowing Facilities and temporary interest on revenue balances

The loans fund of South Lanarkshire Council lends or borrows according to the cash flow of the Board. This temporary interest credited/debited to the Board's Income and Expenditure Account reflects the interest earned or charged to the Board for funds lent to or borrowed from the loans fund of South Lanarkshire Council.

8. Sales Fees and Charges

This is income from charges to citizens and organisations for the direct use of the Board's Services or for the purchase of goods from the Board, for example, copies of the electoral roll.