



GRAMPIAN VALUATION JOINT BOARD

FRIDAY 25 OCTOBER AT 11.30AM

NOTICE IS HEREBY GIVEN that a Meeting of the GRAMPIAN VALUATION JOINT BOARD is to be held in COUNCIL CHAMBERS, MORAY COUNCIL HEADQUARTERS, HIGH STREET, ELGIN on FRIDAY 25 OCTOBER at 11.30am.

R D Burns
Clerk to the Board

18 October 2013

BUSINESS

1. Sederunt
2. Declaration of Financial and Other Interests*
3. Written Questions **
4. Minute of Meeting of the Board dated 28 June 2013
5. Minute of Special Meeting of the Board (ISA 260) dated 29 August 2013
6. Audited Accounts for Year Ending 31 March 2013 – Report by the Treasurer to the Board
7. Revenue Budget Monitoring Statement for the Period 1 April to 30 September 2013 – Report by the Treasurer to the Board
8. Register of Electors – Report by the Assessor & ERO
9. Valuation Roll & Council Tax Valuation List Performance Information – Report by the Assessor & ERO
10. Public Performance Report – Report by the Assessor & ERO
11. IRRV Scottish Conference – Report by the Assessor and ERO
12. Question Time ***

Any person attending the meeting who requires access assistance should contact customer services on 01343 563335 in advance of the meeting.

SEDERUNT

COUNCILLOR R SHEPHERD (Convener)
COUNCILLOR G OWEN (Depute Convener)
COUNCILLOR A BUCHAN
COUNCILLOR C BUCHAN
COUNCILLOR R CHRISTIE
COUNCILLOR B CORMIE
COUNCILLOR G COULL
COUNCILLOR A DONNELLY
COUNCILLOR A FINLAYSON
COUNCILLOR R GRANT
COUNCILLOR S LONCHAY
COUNCILLOR J MORRISON
COUNCILLOR L PIRIE
COUNCILLOR S STUART
COUNCILLOR C TUKE

Contact Person:	Darren Westmacott
Telephone:	01343 563015
Email	darren.westmacott@moray.gov.uk

GUIDANCE NOTES

- * At the beginning of the meeting, immediately following the Sederunt, the Convener will, in terms of Standing Order 25, seek declarations from individuals on any financial or other interests.

- ** Any member can put one question to the Convener about relevant and competent business not already on the Agenda for a meeting of the Board. No member can put more than one question at any meeting. The member must give notice in writing of their question to the Clerk 4 working days prior to the meeting. A copy of any written answer provided by the Convener will be tabled at the start of the relevant meeting. The member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter but no discussion will be allowed.

- *** At each ordinary meeting of the Board, 10 minutes will be allowed for question time when any member can put one question to the Convener regarding any matter within the remit of the Board. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed. In the event of further information/investigation being required in order to answer the question, the Clerk will arrange for a written answer to be provided within 7 working days.



MINUTE OF MEETING OF THE GRAMPIAN VALUATION JOINT BOARD

FRIDAY 28 JUNE 2013

COUNCIL CHAMBERS, MORAY COUNCIL HEADQUARTERS, ELGIN

PRESENT

Councillors R. Shepherd (Convener), G. Owen (Depute Convener), C. Buchan, R. Christie, M. Howe (substituting for Councillor G. Coull), J. Morrison, L. Pirie, S. Stuart and C. Tuke.

APOLOGIES

Apologies for absence were intimated on behalf of Councillors A. Buchan, B Cormie, G. Coull, A. Donnelly, A. Finlayson, R. Grant and S. Lonchay.

IN ATTENDANCE

Mr I. Milton, Assessor and Electoral Registration Officer (ERO), Mrs D. Brands, Principal Accountant (Moray Council), the Internal Audit Manager (Moray Council), Ms T. Abdy, Auditor (Moray Council) and Mr D. Westmacott, Committee Services Officer (Moray Council) as Clerk to the meeting.

1. DECLARATION OF FINANCIAL AND OTHER INTERESTS

In terms of Standing Order 25 and the Councillors' Code of Conduct, there were no declarations of member interest in respect of any item on the agenda.

2. MINUTE OF MEETING OF 25 JANUARY 2013

The minute of the meeting of the Board dated 25 January was submitted and approved as an accurate record.

3. UNAUDITED ACCOUNTS FOR 2012/13

There was submitted a report by the Treasurer to the Board seeking the Board's approval of the unaudited accounts for the year to 31 March 2013, a copy of which was distributed with the report.

During discussions, a number of queries were raised by the Board regarding the level that the cumulative balance and transfers to the General Fund was restricted to. In response, the Board agreed to instruct the Treasurer of the Board to review the level of restrictions that the cumulative balance and transfers to the General Fund are required to adhere to.

Following consideration, the Board agreed to:-

- (i) approve the Unaudited Accounts of the Grampian Valuation Joint Board for the year to 31 March 2013; and
- (ii) instruct the Treasurer of the Board to review the level of restrictions that the cumulative balance and transfers to the General Fund are required to adhere to.

4. REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 31 MAY 2013

There was submitted and noted a report by the Treasurer to the Board inviting the Board to consider the Revenue Monitoring Statement for the period 1 April to 31 May 2012/13, a copy of which was appended to the report as Appendix 1.

5. VALUATION APPEAL PANEL REMUNERATION

There was submitted a report by the Treasurer to the Board inviting the Board to consider the fees payable to the Grampian Valuation Appeal Panel Secretariat.

Following consideration, the Board agreed the revised remuneration scheme, as set out in Appendix 1, with effect from 1 April 2013.

6. INTERNAL AUDIT ANNUAL REPORT – 2012/13

There was submitted a report by the Treasurer to the Board advising the Board of the internal audit coverage of the Assessor's Service for the financial year ended 31 March 2013, and providing an opinion on the adequacy of the control systems reviewed.

In response to a query from Councillor Tuke, the Assessor & ERO agreed to provide information on the number of employees that are paid essential car user allowances.

Following consideration, the Board agreed to note:-

- (i) Internal Audit report for 2012/13, as detailed in Appendix 1 of the report;
- (ii) satisfactory audit opinion derived from audit work completed; and
- (iii) that the Assessor & ERO would provide Councillor Tuke with information on the number of employees that are paid essential car user allowances.

7. FREEDOM OF INFORMATION – MODEL PUBLICATION SCHEME

There was submitted a report by the Assessor & ERO seeking the Board's approval of the new combined model publication scheme, a copy of which was provided as Appendix 1 to the report.

Following consideration, the Board agreed to approve the new combined model publication scheme and charging schedule, as detailed in Appendix 1 to the report.

8. EQUALITIES

There was submitted a report by the Assessor & ERO on the measures taken to respond to the three public sector duties relating to race, disability and gender and seeking approval for the new Equalities Mainstreaming report and Equalities Outcomes.

Following consideration, the Board agreed to:-

- (i) note the 2012/13 Equalities Annual Report, as detailed in Appendix 1 of the report; and
- (ii) approve the Equalities Mainstreaming and Outcomes 2013-17 report, as set out in Appendix 2 of the report.

9. VALUATION ROLL & COUNCIL TAX VALUATION LIST

There was submitted and a report by the Assessor & ERO inviting the Board to consider the performance levels achieved during 2012/13 and review the valuation roll performance thresholds.

The Board joined the Convener in commending the Assessor & ERO and his staff for their continuous improved performance.

Following consideration, the Board agreed to:-

- (i) commend the Assessor & ERO and his staff for their continuous improved performance;
- (ii) note the performance information, as set out in Appendices 1 and 2 of the report; and
- (iii) agreed the revised valuation roll performance thresholds, as set out in paragraph 4.1.7 of the report.

10. REGISTER OF ELECTORS

There was submitted a report by the Assessor & ERO updating the Board on developments in the field of electoral registration and proposed arrangements for the 2013 canvass.

Following consideration, the Board agreed to:-

- (i) note the continuing developments in electoral registration, as set out in Section 3 of the report; and
- (ii) suspend finance regulations in relation to arrangements for the 2013 canvass, as detailed in Section 4 of the report.

11. RISK MANAGEMENT

There was submitted and noted a report by the Assessor & ERO on the current risk management position and the plans for future reviews, as detailed in Appendix to the report.

12. CAREER PROGRESSION

There was submitted a report by the Assessor & ERO seeking the Board's approval to implement a career grade scheme for clerical officers.

Following consideration, the Board agreed to approve a career grade scheme for clerical officers, as detailed in Appendix 1 of the report.

13. IRRV SCOTTISH CONFERENCE 2013

There was submitted a report by the Assessor and ERO seeking the Board's approval for representation at the conference at the Institute of Revenues, Rating and Valuation (IRRV) Annual Scottish Conference. A copy of the conference programme was provided as Appendix to the report.

During discussions, a query from the Committee questioned whether those who were scheduled to attend as half-day delegates could attend as full-day delegates due to the distances involved to attend. In response, the Assessor and ERO advised that he would review the position.

The Convener advised that he would be attending the conference, but noted the Depute Convener, Councillor Owen, was not able to attend and requested that any member of the Board interested in attending should advise the Assessor and ERO accordingly.

Following consideration, the Board agreed:-

- (i) that the Convener, a Board member, the Assessor and ERO and a member of the survey staff attend the Institute of Revenues, Rating and Valuation (IRRV) Annual Scottish Conference, with four surveying staff attending the technical sessions as half-day delegates; and
- (ii) to note that the Assessor and ERO would review the position of four surveying staff attending the technical sessions as half-day delegates with consideration given to increasing to full-day delegates.

14. QUESTION TIME

Councillor Stuart advised that he did not receive the agenda and reports until 3 days prior to the Board meeting and requested that efforts be made to distribute these earlier.

In response, the Clerk apologised for the delay in distributing the agenda a week in advance of the meeting and advised this was due to a problem with the printing machines. He noted that an electronic copy of the reports should have been issued a week before the meeting but this was also delayed due to an administrative error. The Clerk assured the Board that every effort would be made to ensure that members receive their agendas in either paper or electronic form at least one week in advance of the meeting.



GRAMPIAN VALUATION JOINT BOARD

MINUTE OF SPECIAL MEETING OF THE GRAMPIAN VALUATION JOINT BOARD (ISA 260)

THURSDAY 29 AUGUST 2013

VIDEO CONFERENCE

PRESENT

Councillors R. Shepherd (Convener) & G. Owen (Depute Convener).

IN ATTENDANCE

M. Adam, Depute Assessor, M. Wilson, Head of Financial Services and Treasurer to the Board and D. Brands, Principal Accountant, both The Moray Council and L. Paterson and G. Collin, both PricewaterhouseCoopers LLP.

1. MATTERS ARISING FROM THE AUDIT OF THE 2012/13 ANNUAL STATEMENT OF ACCOUNTS

There was submitted a report by the Treasurer to the Board setting out for the Board's consideration the relevant matters arising from the External Auditor's audit of Grampian Valuation Joint Board's annual statement of accounts for 2012/13 that require reporting under the International Standard of Auditing 260 (ISA 260). A copy of PricewaterhouseCoopers' report was appended to the report.

The meeting noted that the ISA 260 requires auditors to communicate matters relating to the audit of the financial statements to those charged with governance of a body in time to enable appropriate action. The meeting also noted that a copy of the report had been copied to the other Members of the Board for their information and were invited to submit any questions they may have on the External Auditor's report to the Treasurer. The Treasurer confirmed that she had not received any questions from other Members of the Board.

The External Auditor spoke to the report during which it was noted that there were no significant matters to report on the accounts and that the Board had received an Unqualified opinion for 2012/13.

Following consideration, the Board agreed to note the contents of the External Auditor's report to those charged with Governance on the 2012/13 Annual Audit.



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 25 OCTOBER 2013

SUBJECT: AUDITED ACCOUNTS FOR YEAR ENDING 31 MARCH 2013

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

- 1.1 To submit, the Audited Accounts for the financial year ending 31 March 2013 to the Board.

2. RECOMMENDATIONS

2.1 It is recommended that the Board:

- (a) notes the Final Accounts and for the year ending 31 March 2013.**
- (b) notes the surplus £195,000 for 2012/13.**
- (c) agrees that £198,000 be returned to constituent authorities leaving the maximum permitted balance on the General Fund of £193,000.**

3. 2012/13 Accounts

- 3.1 It is a statutory requirement to submit the Audited Accounts to the Board within two calendar months of the Accounts being certified by the External auditor. PricewaterhouseCoopers LLP signed the accounts on 02 September 2013.
- 3.2 A copy of the final Audited Accounts for 2012/13 is attached.
- 3.3 The final accounts remain unchanged from those submitted to the June meeting of the Board, with the exception of minor disclosure adjustments which have been amended in the audited financial statements.
- 3.4 The Auditors report to Officers and the Controller of Audit was issued to Members on 22 August 2013. The report contained the ISA 260 – “Communication of audit matters to those charged, with governance” which confirmed that there were no unadjusted misstatements in the accounts.

- 3.5 The surplus will be returned to the Constituent authorities in proportion to the percentage of requisitions for 2012/13 as follows:

Authority	%	Amount to be Returned
Aberdeen City	39.23	£77,675
Aberdeenshire	44.68	£88,466
Moray	16.09	£31,859
Total	100.00	£198,000

If approved, the £198,000 will be returned to constituent authorities by netting off from the November requisitions.

- 3.6 As can be seen from the Independent Auditor's report on pages 53 and 54 of the Accounts, an unqualified opinion has been given, which means that the financial statements give a true and fair view of the Board's financial position for 2012/13.

4. CONCLUSION

- 4.1 The Board generated a surplus of £195,000 in 2012/13. If approved £198,000 will be returned to constituent authorities leaving the maximum permitted balance on the General Fund of £193,000.

Author of Report : Deborah Brands
Ref DB/LMS/1289452

AUDITED ACCOUNTS

**GRAMPIAN
VALUATION
JOINT BOARD**

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2013**

If you need information from the Moray Council in a different format, such as Braille, audio tape or large print, please contact:

如果閣下需要摩里議會用你認識的語言向你提供議會資訊的話，請要求一位會說英語的朋友或親人與議會聯繫

Jeżeli chciałoby Państwo otrzymać informacje od samorządu rejonu Moray w swoim języku ojczystym, Państwa przyjaciel lub znajomy, który mówi dobrze po angielsku, może do nas

Se necessita de informação, do Concelho de Moray, traduzida para a sua língua, peça o favor a um amigo ou parente que fale Inglês para contactar através do:

Jeigu Jums reikalinga informacija iš Moray regiono Savivaldybės [*Moray Council*], kurią norėtumėte gauti savo gimtąja kalba, paprašykite angliškai kalbančių draugų arba giminaičių susisiekti su mumis

Чтобы получить информацию из Совета Морэй на Вашем языке, попросите, пожалуйста, Вашего друга или родственника, говорящих по английски, запросить ее

Si necesitas recibir información del Ayuntamiento de Moray en tu idioma. Por favor pide a un amigo o familiar que hable inglés que:



Project Officer, Chief Executive's Office, High Street,
Elgin, IV30 1BX



01343 563319



equalopportunities@moray.gov.uk



(Wednesday or Thursday only): 18002 01343563603

Index of Contents

	Page(s)
Explanatory Foreword by the Treasurer	1-4
Glossary of Terms	5-6
Statement of Responsibilities for the Statement of Accounts	7
Statement on the System of Internal Financial Control	9-10
Remuneration Report	11-16
Movement in Reserves Statement	17-18
Comprehensive Income and Expenditure Statement	19
Balance Sheet	21
Cash Flow Statement	23
Notes to the Accounts	25-52
Independent Auditors' Report	53-54

EXPLANATORY FOREWORD BY THE TREASURER

INTRODUCTION

The Joint Board was created following Local Government Re-organisation on 1 April 1996, under the Local Government (Scotland) Act 1994 and administers the Rating Valuation, Council Tax Valuation and Electoral Registration services on behalf of Aberdeenshire, Aberdeen City and Moray Councils. The Board receives its financial support from the three constituent authorities by requisitioning the funding for its Revenue Budget each financial year.

The Moray Council provides the accounting and treasury services to the Board and the Treasurer to the Board is the Moray Council's Head of Financial Services.

CORE FINANCIAL STATEMENTS

The **Movement In Reserves Statement** shows the movement on the different reserves held by the Board, analysed into „usable reserves“ and „unusable reserves“.

The **Comprehensive Income and Expenditure Statement** is a summary of the resources generated and consumed by the Board in the year.

The **Balance Sheet** shows the assets and liabilities of the Board and shows a picture of the Board's financial position as at 31 March 2013.

The **Cash Flow Statement** summarises the flows of cash into and out of the Board for the year to 31 March 2013.

EXPLANATORY FOREWORD BY THE TREASURER (continued)

FINANCIAL PERFORMANCE 2012/13

The Board's financial results for the year compared against budget are shown below. The layout has been amended this year to follow the recommended guidance by CIPFA for a standard subjective analysis. For comparability the 2011/12 figures have also been amended.

Actual 2011/12 £000		Budget 2012/13 £000	Actual 2012/13 £000
2,881	Staff Costs	2,972	2,861
301	Property Costs	325	297
69	Transport Costs	74	70
383	Supplies and Services	444	415
51	Support Services	46	52
3,685	Gross Expenditure	3,861	3,695
10	Sales and Miscellaneous Income	5	35
2	Interest on Revenue Balances	2	1
12	Gross Income	7	36
3,673	Net Expenditure	3,854	3,659

At the meeting of the Board on the 27 January 2012 the revenue budget for 2012/13 was approved at £3.854m (2011/12 £3.913m). The actual expenditure requisitioned from the constituent authorities was £3.659m (2011/12 £3.673m). The underspend of £0.195m (2011/12 £0.240m) can be analysed as follows:

2011/12 £000		2012/13 £000
165	Staff Costs	111
-	Property Costs	28
10	Transport Costs	4
63	Supplies and Services	29
(3)	Support Services	(6)
5	Income	29
240	Net Underspend Against Budget	195

The main reason for the underspend in staff costs was vacant posts, of which five remain frozen in 2012/13 as efficiency savings. The Property Costs budget was increased in 2012/13 in anticipation of an increase in the annual service charge payable to Aberdeenshire Council for the Board's occupancy of Woodhill House, although this wasn't realised and has resulted in an underspend against budget. Supplies and services expenditure was also under budget on printing and stationery expenses and other expenses. Income exceeded the budget as the Board received £0.026m grant income to defray the implementation costs of Individual Electoral Registration.

It was agreed by the Board at its meeting on 28 January 2011 that a General Fund would be created to provide the Assessor with some flexibility to investigate any spend to save

EXPLANATORY FOREWORD BY THE TREASURER (continued)

FINANCIAL PERFORMANCE 2012/13 (continued)

projects which would require one-off expenditure in order to deliver future budget savings. The Board agreed that transfers to the fund would be restricted to 3% of the total budget in any one year and that the cumulative balance would not exceed 5% of the total budget of that year. The General Fund maximum permitted balance is £0.193m therefore £0.198m will be returned to the authorities.

The Comprehensive Income and Expenditure Statement shows a deficit of £0.057m on the provision of services for the year. After allowing for the reversal of statutory charges for International Accounting Standard 19 (IAS19) of £0.019m, depreciation and impairment totalling £0.036m and transfers to the Capital Fund of £0.001m, there remains a deficit of £0.003m which has been transferred to the General Fund. Included in the Requisitions and Non-Specific Grant Income line is the refund due to the constituent authorities of £0.198m. This is allocated between the constituent authorities on the basis of population and will be returned to authorities after the accounts are audited. For 2012/13 the amount to be returned has been allocated as follows:

2011/12		Constituent Authority	2012/13	
£000	%		£000	%
65	39	Aberdeen City Council	78	39
75	45	Aberdeenshire Council	88	45
27	16	Moray Council	32	16
<u>167</u>	<u>100</u>	Total	<u>198</u>	<u>100</u>

Capital Fund

A Capital Fund was established in 2002/03 using the Board's share of proceeds from the sale of Woodhill House. The balance on the fund at 31 March 2013 was £0.072m (2011/12 £0.071m).

The Board agreed that any major capital requirements for the Board in the future would be funded through the normal requisition process.

Significant Future Risk to Funding

The public sector in Scotland is facing severe financial pressures. The main challenge in preparing the 2012/13 budget was the request from the constituent authorities to continue to achieve savings. With employee costs representing almost 77% of the revenue budget there was little scope to make efficiencies without impacting on the level of service. A further two posts were frozen in 2012/13, bringing the total number of frozen posts to five. Despite inflationary pressures in some areas of the budget, the 2012/13 revenue budget achieved cash savings of 1.51% compared to 2011/12.

The Board set a budget for 2013/14 which has increased slightly from the current year due to increased demands made on the service and in line with constituent authorities a pay award has also been included at 1% for all employees. The Assessor has tried to alleviate the impact of these pressures and has generated savings in the budget from efficiencies in working practices. The UK government's draft plans for transition to individual electoral registrations to take place in 2014/15 add a further element of uncertainty on levels of expenditure and funding.

EXPLANATORY FOREWORD BY THE TREASURER (continued)

Given these factors the Assessor and his management team have highlighted future funding as a significant risk and the impact this may have on the delivery of the service.

RETIREMENT BENEFITS

Employee Benefits (IAS 19)

In accordance with CIPFA/LASAAC guidance IAS 19 has been fully adopted in preparing the accounts of the Board. The standard prescribes how employing organisations are to account for pension benefits earned by employees in the year and associated pension assets and liabilities.

Employees are eligible to join the Local Government Pension Scheme (LGPS), administered by Aberdeen City Council. Note 22 to the accounts details the income and expenditure charged to the Comprehensive Income and Expenditure Statement under IAS 19 in respect of the Local Government Scheme, based upon estimates provided by the actuary to the Scheme.

The liability on the Local Government Pension Scheme pension fund and a pensions reserve are incorporated on the balance sheet. In the Comprehensive Income and Expenditure Statement, the cost of retirement benefits is recognised in the Net Cost of Services when earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is funded by requisitions is based on the contribution payable to the pension scheme in the year, so the cost of retirement benefits is reversed out in the Movement in Reserves Statement. The Balance Sheet shows that the Board has a net pension liability of £5.929m as at 31 March 2013 (31 March 2012 £5.137m) due to the accrual of pension liabilities in accordance with IAS 19.

GOING CONCERN

The accrual of pension liabilities has a significant impact on the Balance Sheet at 31 March 2013 which shows an excess of liabilities over assets of £5.049m (£4.221m at 31 March 2012). Future actuarial valuations of the Local Government Pension Fund will consider the appropriate employee/employer's rate to meet the commitments of the Fund and the constituent authorities of the Board are required to fund the liabilities of the Board as they fall due. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

ACKNOWLEDGEMENTS

My thanks go to the staff, who contribute to the preparation of these accounts and in particular to Finance staff at the Moray Council for their hard work in meeting the year-end deadlines.

Margaret Wilson
Treasurer
30 August 2013

GLOSSARY OF TERMS

EXPENDITURE

Employee Costs:

Includes direct employee expenses such as salaries and overtime, employer's national insurance and superannuation contributions. Indirect employee expenses include relocation cost, interview expenses, training and staff advertising.

Property Costs:

Includes property costs such as rent, rates, repairs and maintenance and premises-related contributions at the area offices in Banff, Elgin and Woodhill House headquarters. The service charge for Woodhill House is also included. Energy costs, water services and premises insurance as well as fixtures and fittings, grounds maintenance and cleaning supplies are also included.

Transport Costs:

This includes all costs associated with the provision, hire or use of transport, including staff travel allowances and public transport.

Supplies and Services:

Includes the cost of purchasing equipment, furniture and materials used in the operation or administration of the service. Other Supplies and Services expenses include printing, stationery, catering, provision of protective clothing. Also included are canvass expenses and valuation appeal panel costs.

Support Services;

This is a charge from the Moray Council for services that support the Board in its provision of services to the public. These include the functions of Legal Services, Finance, IT and Human Resources.

Corporate Democratic Core (CDC):

These are costs associated with democratic representation and include Members expenses and costs relating to the corporate management of the Board.

Non Distributed Costs (NDC):

These are costs which cannot be allocated to the cost of a service such as the cost of discretionary benefits awarded to employees retiring early and past service gains.

Depreciation:

Depreciation is a charge to the Comprehensive Income & Expenditure Account, reflecting the decline in value of assets as a result of their usage or ageing.

INCOME

Customer and Client Receipts:

Income received for services provided.

Requisitions:

Funding received from the constituent authorities for which the Board provides a service.

GLOSSARY OF TERMS (Continued)

OTHER

CIPFA

The Chartered Institute of Public Finance and Accountancy

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

IFRS

International Financial Reporting Standard

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom

SeRCOP

Service Reporting Code of Practice

Fair Value

Fair Value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For land and buildings, fair value is the amount that would be paid for the asset in its existing use.

Economic Cost

The total cost of performing an activity or following a decision or course of action.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Board's Responsibilities

The 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 the Valuation Joint Board, that officer is the Treasurer to the Board.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

The Treasurer's Responsibilities

The Treasurer to the Board is responsible for the preparation of the Board'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 2012/13 (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.

I confirm that this Statement of Accounts gives a true and fair view of the financial position of the Board at the reporting date and its income and expenditure for the year ended 31 March 2013.

Margaret Wilson
Treasurer
30 August 2013

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

This statement is given in respect of the Annual Accounts for the Grampian Valuation Joint Board for the year ended 31 March 2013. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Managers within the Assessor's service and the Moray Council undertake development and maintenance of the system, which includes:

- Comprehensive budgeting systems
- 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 which indicate actual expenditure against the forecasts

Internal Audit of the Moray Council is an independent appraisal activity, which reviews the internal financial control system as a service to the Board. In accordance with the principles of the Code of Practice for Internal Audit in Local Government, the Internal Audit Manager reports to the Board on the planned audit coverage and on the findings and recommendations arising from audit work completed.

The Internal Audit Manager also undertakes an annual independent appraisal of the Joint Board's internal financial control system and provides an independent opinion on the adequacy and effectiveness of the internal financial control system.

For the 2012/13 financial year, internal audit work included an analytical review of budgeted and actual expenditure in the current and prior years, and testing of transactions covering employee payroll costs, payment of creditors and revenue generated. The audit work confirmed the adequacy of the systems and procedures in place.

The Assessor's procedures for maintaining the Valuation Roll and Council Tax lists and for reporting additions, deletions and amendments to the lists to constituent authorities were reviewed to confirm these were operating as intended.

The most recent risk register updated in April 2013 was also reviewed confirming that the Assessor and his management team actively identify, document and address the principal risks facing the Board.

Each risk is assigned an „owner“ who is responsible for leading on risk mitigation measures. The register is reviewed and revised regularly by the management team, with an annual update being provided to the Board in support of good governance practice.

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL (continued)

Three main areas in the risk register continue to be identified as high risk:

- The shift in taxation ethos from Council Tax to Local Income Tax
- The reduction in funding from the three constituent authorities and the impact of this on service delivery
- The introduction of Individual Electoral Registration (IER)

Opinion

My review of the effectiveness of the system of internal financial control is informed by my knowledge of:

- The work of the Assessor and his management team
- The work of the internal auditors as described above.
- The external auditor in the annual audit letter and other reports.

It is my opinion, based on the above information, that reasonable assurance can be placed on the adequacy and effectiveness of the Board's internal financial control systems in place for the year ended 31 March 2013.

Margaret Wilson
Treasurer
30 August 2013

REMUNERATION REPORT

This report has been written to provide details of the Grampian Valuation Joint Board's remuneration arrangements for its senior councillors and senior employees. This is required under the Local Authority Accounts (Scotland) Amendment Regulations 2011.

All information disclosed in the tables 1 to 6 in this Remuneration Report will be audited by the external auditors PricewaterhouseCoopers LLP. The other sections of the Remuneration Report will be reviewed by PricewaterhouseCoopers LLP to ensure that they are consistent with the financial statements.

Remuneration of Councillors

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No.2007/183). These regulations 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 amounts payable to them as either a councillor or senior councillor of their own Local Authority.

The Board consists of 15 members comprising 6 from Aberdeen City Council, 6 from Aberdeenshire Council and 3 from the Moray Council. The local authority of which the Convenor or Vice Convenor is a member pays the remuneration appropriate to the member's work with the joint board. Convenors receive a remuneration which when added to their existing remuneration as a Councillor/Senior Councillor equals 75 percent of the Leader of a "Band A" council, i.e. £20,294 per annum. The Vice Convenor's remuneration is calculated on the basis of the basic salary plus 75 percent of the difference between the basic salary and the Convenor's salary, i.e. £19,279 per annum

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.

The latest rates for the Convenor and Vice Convenor were effective from 1 April 2009. Details of these payments are shown on Table 1 and Table 2 below.

Councillor Ogilvie was Convenor of the Grampian Valuation Joint Board until the local council elections on 3 May 2012. She received a Special Responsibility Allowance for the period to 3 May 2012. Councillor Shepherd was duly elected Convenor of the Grampian Valuation Joint Board for the period to May 2017 at the Board meeting on 22 June 2012. He does not receive an additional allowance as he is already paid a senior councillor salary by the Moray Council for his role as Chair of the Licensing Committee. Details of his salary are included in the remuneration report for Moray Council.

At the same Board meeting Councillor Owen was duly elected Depute Convenor of the Board for the period to May 2017. She receives a Special Responsibility Allowance from Aberdeenshire Council and so no additional award is made for undertaking duties for the Valuation Board. This allowance is paid for in full by Aberdeenshire Council and will be included in their remuneration report. All other Councillors' expenses are paid directly by the authority that they serve and will also be included in the individual authority's remuneration report.

REMUNERATION REPORT (continued)

Remuneration of Senior Councillors, Convener and Vice-Convener (Table 1)

The Board paid a Special Responsibility Allowance to the Convener of the Board until 3 May 2012. Details of this payment are shown below:

Councillor Name and Responsibility	Salary, fees and allowances	Taxable Expenses	Total Remuneration 2012/13	Total Remuneration 2011/12
	£	£	£	£
Councillor Ogilvie, Convener (to 3 May 2012)	367	-	367	4,060

Remuneration of Councillors (Table 2)

The Grampian Valuation Joint Board paid the following salaries, allowances and expenses for all councillors (including the senior councillor above) during the year. It includes expenses met directly by the Board and expenses reimbursed to Councillors.

Type of Remuneration	2012/13	2011/12
	£	£
Salaries	367	4,060
Expenses	532	1,064
TOTAL	899	5,124

Remuneration of Senior Employees

The Local Authority Accounts (Scotland) Amendment Regulations 2011 require remuneration information to be disclosed for senior employees and these are categorised by the following criteria:

- i) A person who has responsibility for the management of a local authority to the extent that the person has power to direct or control the major activities of the authority whether solely or collectively with other persons.
- ii) A person 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.
- iii) A person whose annual remuneration, including any annual remuneration from a local authority subsidiary body is £150,000 or more.

Remuneration disclosure is therefore required for the Assessor and Electoral Registration Officer (ERO) and two Depute Assessor and Depute Electoral Registration Officers who are deemed to be senior employees for the Grampian Valuation Joint Board. Details are shown on Table 3 below.

REMUNERATION REPORT (continued)

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) sets the terms and conditions and pay bandings for senior employees but actual remuneration levels are set locally and were last agreed by the Board on 23 January 2004.

Remuneration of Senior Employees of the Board (Table 3)

Name and Post Title	Salary, fees and allowances	Taxable Expenses	Total Remuneration 2012/13	Total Remuneration 2011/12
	£	£	£	£
Ian Milton – Assessor & ERO	101,359	654	102,013	101,743
Gavin Oag - Depute Assessor & ERO	79,057	628	79,685	79,669
Mark Adam - Depute Assessor & ERO	70,450	659	71,109	71,319
TOTAL	250,866	1,941	252,807	252,731

The Treasurer and the Clerk to the Board do not receive remuneration from the Valuation Board. The duties of the posts are covered by the postholders' substantive posts in the Moray Council.

Pension Benefits

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS). Details of pension benefits paid are included on Table 4 and Table 5 below.

Councillors' pension benefits are based on career average pay. The councillor'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 in 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. This is the value used to calculate the pension benefits. The Board pays a contribution to the Moray Council for the Convener and Depute Convener's pension contributions if they are members of the scheme and this is based on a percentage of the cost of the Special Responsibility Allowance. The pension benefits paid for this financial year relate to Councillor Ogilvie, Convener of the Board for the period to 3 May 2012. The Board is not liable to pay any pension contributions for the current Convener and Depute Convener.

REMUNERATION REPORT (continued)

Pension Benefits (continued)

For local government employees this is a final salary pension scheme. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. The scheme's normal retirement age for both councillors and employees is 65.

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.

The member contribution rates for 2012/13 are the same as for 2011/12; however the earnings bands have changed as shown in the table below. The figures for 2011/12 are shown in brackets for comparison.

Whole time earnings	Contribution rate 2012/13	Contribution rate 2011/12
On earnings up to and including £19,400 (£18,500)	5.50%	5.50%
On earnings above £19,400 and up to £23,700 (£18,500 - £22,600)	7.25%	7.25%
On earnings above £23,700 and up to £32,500 (£22,600 - £30,900)	8.50%	8.50%
On earnings above £32,500 and up to £43,300 (£30,900 - £41,200)	9.50%	9.50%
On earnings above £43,300 (£41,200)	12.0%	12.0%

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 1/60th of the final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of the final pensionable salary and years of pensionable service).

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 local government service, and not just their current appointment.

REMUNERATION REPORT (continued)

Pension Benefits (continued)

Senior Councillors (Table 4)

	In-year pension contributions	
	For the year to 31 March 2013	For the year to 31 March 2012
	£	£
Councillor Ogilvie, Convener (to 3 May 2012)	71	783

The above amounts show the In-year contributions relating to the Special Responsibility Allowance shown in Table 1. The total pension benefits relating to Councillor Ogilvie are detailed in the remuneration report of the Moray Council.

Senior Employees (Table 5)

The pension entitlements of Senior Employees for the year to 31 March 2013 are shown in the table below, together with the contribution made by the Board to each Senior Employees' pension during the year.

	In-year pension contributions			Accrued pension benefits	
	For the year to 31 March 2013	For the year to 31 March 2012		As at 31 March 2013	Difference from March 2012
	£	£		£	£
Ian Milton Assessor and ERO	19,535	19,535	Pension Lump Sum	38,011 93,789	1,688 -
Gavin Oag Depute Assessor & ERO	15,228	15,228	Pension Lump Sum	24,269 57,027	1,315 -
Mark Adam Depute Assessor & ERO	13,569	13,569	Pension Lump Sum	25,252 61,695	1,171 -
TOTAL	48,332	48,332		300,043	4,174

All senior employees shown in the tables above are members of the Local Government Pension Scheme (LGPS). The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service and not just their current appointment.

REMUNERATION REPORT (continued)

General Disclosure by Pay Band

The Regulations require information to be provided for the number of persons whose remuneration is £50,000 or more. This information is disclosed in bands of £5,000 and is shown on Table 6 below.

General Disclosure by Pay Band (Table 6)

The Table includes the remuneration of the senior employees detailed in Table 3.

Remuneration Band	Number of employees	
	2012/13	2011/12
£50,000 - £54,999	4	4
£70,000 - £74,999	1	1
£75,000 - £79,999	1	1
£100,000 - £104,999	1	1
Total	7	7

Margaret Wilson
Treasurer
30 August 2013

MOVEMENT IN RESERVES STATEMENT AS AT 31 MARCH 2013

This Statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' and „unusable reserves“. Usable reserves are those that can be applied to fund expenditure subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital fund that may only be used to fund capital expenditure or repay debt). Unusable reserves include reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the line “Adjustments between accounting basis and funding basis under regulations”.

The 'Surplus on provision of services' line shows the true economic cost of providing the Board's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for Requisition setting. The 'Net Increase /Decrease before transfers to other statutory reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Board.

Details are tabulated first for 2011/12 for comparative purposes.

	General Fund £000	Capital Fund £000	Total Usable Reserves £000	Unusable Reserves £000	Total Board Reserves £000
Balance at 31 March 2011	123	71	194	(3,421)	(3,227)
Surplus on provision of services (accounting basis)	48	-	48	-	48
Other Comprehensive Expenditure and Income	-	-	-	(1,042)	(1,042)
Total Comprehensive Income and Expenditure	48	-	48	(1,042)	(994)
Adjustments between accounting basis & funding basis under regulations (Note 7)	25	-	25	(25)	-
Net Increase / (Decrease) before Transfers to Other Statutory Reserves	73	-	73	(1,067)	(994)
Increase / (Decrease) in Year	73	-	73	(1,067)	(994)
Balance at 31 March 2012	196	71	267	(4,488)	(4,221)

MOVEMENT IN RESERVES STATEMENT AS AT 31 MARCH 2013 (continued)

	General Fund	Capital Fund	Total Usable Reserves	Unusable Reserves	Total Board Reserves
	£000	£000	£000	£000	£000
Balance at 31 March 2012	196	71	267	(4,488)	(4,221)
Surplus/(Deficit) on provision of services (accounting basis)	(57)	-	(57)	-	(57)
Other Comprehensive Expenditure and Income	-	-	-	(771)	(771)
Total Comprehensive Income and Expenditure	(57)	-	(57)	(771)	(828)
Adjustments between accounting basis & funding basis under regulations (Note 7)	55	-	55	(55)	-
Net Increase / (Decrease) before Transfers to Other Statutory Reserves	(2)	-	(2)	(826)	(828)
Transfers to / from Other Statutory Reserves	(1)	1	-	-	-
Increase / (Decrease) in Year	(3)	1	(2)	(826)	(828)
Balance at 31 March 2013	193	72	265	(5,314)	(5,049)

BALANCE SHEET AS AT 31 MARCH 2013

The Balance Sheet shows the value as at the Balance Sheet date of assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board.

Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Board may use to provide services. The second category of reserves is unusable reserves, i.e. those that the Board is not able to use to provide services.

31 March 2012 £000		Note	31 March 2013 £000
717	Property, Plant & Equipment	9	681
<u>1</u>	Long Term Debtors	10	<u>9</u>
718	Long Term Assets		690
23	Short Term Debtors	11	67
<u>577</u>	Cash and Cash Equivalents	12	<u>536</u>
600	Current Assets		603
<u>(402)</u>	Short Term Creditors	13	<u>(413)</u>
(402)	Current Liabilities		(413)
<u>(5,137)</u>	Other Long Term Liabilities		<u>(5,929)</u>
(5,137)	Long Term Liabilities		(5,929)
<u>(4,221)</u>	Net Liabilities		<u>(5,049)</u>
	Usable reserves	15	
196	General Fund		193
<u>71</u>	Capital Fund		<u>72</u>
267	Total		265
	Unusable Reserves	16	
165	Revaluation Reserve		162
552	Capital Adjustment Account		519
<u>(5,137)</u>	Pensions Reserve		<u>(5,929)</u>
<u>(68)</u>	Employee Statutory Adjustment Account		<u>(66)</u>
(4,488)	Total		(5,314)
<u>(4,221)</u>	Total Reserves		<u>(5,049)</u>

Margaret Wilson
Treasurer
30 August 2013

The unaudited accounts were issued on 29 May 2013 and the audited accounts were authorised for issue on 30 August 2013.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

The Cash Flow statement shows the changes in cash and cash equivalents of the Board during the financial year. The statement shows how the 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 Board are funded by way of requisition and grant income or from the recipients of services provided by the Board. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery, i.e. assets.

31 March 2012 £000		31 March 2013 £000
(48)	Net (surplus) or deficit on the provision of services	57
(78)	Adjust net (surplus) or deficit on the provision of services for non cash movements	(16)
<hr/>		<hr/>
(126)	Net cash flows from Operating Activities	41
<hr/>		<hr/>
(126)	Net increase in cash and cash equivalents	41
451	Cash and cash equivalents at the beginning of the financial year	577
<hr/>		<hr/>
577	Cash and cash equivalents at the end of the financial year	536
<hr/>		<hr/>

NOTES TO THE ACCOUNTS

NOTE 1 Accounting Policies

General Principles

The Statement of Accounts summarises the Board's transactions for the 2012/13 financial year and its position at the year-end of 31 March 2013. The Board is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985, which section 12 of the Local Government in Scotland Act 2003 require 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 2012/13 and the Service Reporting Code of Practice 2012/13, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The principal accounting policies have been applied consistently throughout the year.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

Accruals and Income and Expenditure

Income and Expenditure activities are accounted for in the year in which they take place, not simply when cash payments are made or received.

Where income and expenditure has 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 the debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Non Current Assets

Property Plant and Equipment

Recognition: All expenditure on the acquisition, creation, enhancement or replacement of a part of an asset is capitalised providing the asset yields benefit for more than one year to the Board and the services it provides and the cost can be reliably measured.

Where a component is replaced or restored, the carrying amount of the old component is derecognised and the new component reflected in the carrying amount.

Measurement: New assets are measured at cost on an accruals basis and property is revalued at least every five years. Cost includes the original purchase of the asset and the costs attributable to bringing the assets to its working condition for its intended use.

Assets are measured at fair value which is Existing Use Value for Land and Buildings and Depreciated Historic Cost for Equipment and Furniture.

Revaluation gains are recognised in the Revaluation Reserve, unless the increase is reversing either a previous impairment loss or a previous revaluation loss charged to the Comprehensive Income and Expenditure Statement in which case the revaluation amount is used first to reverse the previous loss and any excess is treated as a revaluation gain and credited to the Revaluation Reserve.

Revaluation losses are recognised in the Revaluation Reserve up to the credit balance existing in respect of that asset and thereafter in the Comprehensive Income and Expenditure Statement.

Revaluation gains and losses charged to the Comprehensive Income and Expenditure Statement are not a charge to the General Fund and are transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Non Current Assets (continued)

Property, Plant and Equipment (continued)

Derecognition: The carrying amount of an item of property, plant and equipment is derecognised when an asset is disposed of or when no future economic benefits or service potential are expected from its use. The value of the asset in the Balance Sheet and any receipt are written to the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

The gain or loss on disposal is not a charge against Requisitions, as the cost of non current assets is fully provided for under separate arrangements for Capital Financing. The carrying amount of the non current asset disposal is transferred to the Capital Adjustment Account and the disposal proceeds transferred to the Capital Fund and reported in the Movement in Reserves Statement.

Depreciation: Depreciation is provided for on all items of property, plant and equipment with a finite useful life with the exception of land where it can be demonstrated that it has an unlimited useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation is calculated using the straight-line method. In the year of acquisition, a full year's depreciation is provided for on all assets. In the year of disposal, no depreciation is charged.

Depreciation charged in the Comprehensive Income and Expenditure Statement is not a charge to the General Fund and is transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Impairment: Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Requisitions and Contributions

Requisitions and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition(s) (as opposed to restrictions) that the Board has not satisfied.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Financial Assets and Liabilities

The Board's Financial Assets are Loans and Receivables which have fixed or determinable payments but are not quoted in an active market.

Most of the Board's loans and receivables (debtors) are for less than 12 months or are charged at a market rate of interest and so are initially measured at fair value and are carried at amortised cost, which equates to the actual cash value at 31 March 2013.

Elements of financial assets that are receivable within 12 months of the Balance Sheet date are included in either short-term investments or cash and cash equivalents dependent upon whether or not the asset satisfies the conditions of a cash or cash equivalent asset.

The Board's Liabilities are shown as Creditors in the Balance Sheet and are for less than 12 months and so are initially measured at fair value and are carried at amortised cost, which equates to the actual cash value at 31 March 2013.

Cash and Cash Equivalents

The Board uses the Moray Council's bank account for financial transactions and the balance is invested in the Council's Loans Fund. This balance is repayable on demand and therefore treated as a cash equivalent and is included in the Balance Sheet at amortised cost, which equates to the actual cash value at 31 March 2013.

Employee Benefits

Benefits Payable During Employment: Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Board. As the leave year runs from 1 January to 31 December, an accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is calculated at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services so that holiday benefits are charged to revenue in the financial year in which the holiday absence is earned, but Statutory Regulations issued by the Scottish Government allow the Board to reverse out this amount through the Movement in Reserves Statement so that it does not impact on the General Fund.

Termination Benefits: Termination benefits are amounts payable as a result of a decision by the Board to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service line (or discontinued operations) in the Comprehensive Income and Expenditure Statement when the Board is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Employee Benefits (continued)

Termination Benefits (continued)

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

Post Employment Benefits: The Board is a statutory body in the North East of Scotland Local Government Pension Scheme administered by Aberdeen City Council, which provides employees with defined benefits related to pay and service.

Statutory provisions require the General Fund balance to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

The liabilities of the North East of Scotland pension scheme attributable to the Board 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 and employee turnover rates, etc. and projections of future earnings for current employees.

Liabilities are discounted to their fair value at current prices using a discount rate of 4.2% (based on long-term redemption yields available on AA rated corporate bonds of appropriate duration).

In assessing liabilities for retirement benefits at 31 March 2012 for the 2011/12 Statement of Accounts, the actuary assumed a discount rate of 4.9% actual. For the 2012/13 Statement of Accounts the actuary has advised that a discount rate of 4.2% actual is appropriate. The rate of annual increase in pensions has decreased from 2.5% to 2.4%. The combined application of these rates has resulted in an overall increase in liabilities. This is because the effect of the reduction in the discount rate gives a higher increase in liabilities than the decrease in liabilities caused by the reduction in the rate of increase in pensions. A decrease in actuarial losses for the year is recognised in the Comprehensive Income and Expenditure Statement.

The assets of the North East of Scotland pension scheme attributable to the Board are included in the Balance Sheet at their fair value.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Going Concern

The Pension Scheme overall liability demonstrates the Board's commitment to pay retirement benefits in the long term. As a consequence there is a significant impact on the net worth of the Board as recorded on the Balance Sheet, which shows a net liability. Statutory arrangements for the funding of the deficit mean that the financial position of the Board remains assured. On the basis of this funding arrangement, the Board considers it appropriate that the Statement of Accounts should follow the going concern basis of accounting.

Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SeRCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

Corporate and Democratic Core – costs relating to the Board's status as a multi-functional, democratic organisation.

Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and past service gains.

These two cost categories are defined in SeRCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

Value Added Tax

VAT is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable. The net amount due to or from HM Revenue and Customs in respect of VAT is included as part of debtors or creditors.

Exceptional Items and Prior Period Adjustments

Exceptional items are those which are separately identified by virtue of their size or incidence to allow a full understanding of the performance of the Board.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimate do not give rise to a prior period adjustment.

Changes in accounting policies are only made 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 Board's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for prior periods as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Events after Balance Sheet Date

Events after the financial year are those events, both favourable and unfavourable that occur between the end of the financial year (the balance sheet date) and the date when the financial statements are authorised for issue.

There are two types of events:

- a) those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the financial year) and
- b) those that provide evidence of conditions that arose after the balance sheet date (non-adjusting events after the financial year).

The accounts are adjusted to reflect adjusting events after the financial year and are not adjusted to reflect non-adjusting events after the financial year. Where a non-adjusting event would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

Leases

Operating lease payments are reflected under the relevant expenditure heading in the Comprehensive Income and Expenditure Statement, as the rentals become payable. The Board does not have any finance leases.

Reserves

The Board sets aside specific amounts as reserves for future policy purposes. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against requisitions for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the Board – these reserves are explained in the relevant policies.

Usable Reserves

General Fund: The creation of a General Fund was agreed by the Board at its meeting on 28 January 2011. This was introduced to provide the Assessor with some flexibility to investigate any spend to save projects which would require one-off expenditure in order to deliver future budget savings. The reserve will also act as a contingency for any unexpected costs in future years. Transfers are restricted to 3% of revenue budget in any one year subject to the reserve having a cumulative balance not exceeding 5% of revenue budget.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Reserves (continued)

Capital Fund: Under the terms of Schedule 3 to the Local Government (Scotland) Act 1975, the Board has established a Capital Fund and has paid into that fund the receipt in respect of the Board's share from the sale of Woodhill House. Interest earned on the Capital Fund balance is added to the accumulated balance each year.

Unusable Reserves

The **Capital Adjustment Account** was introduced on 1 April 2007 and reflects the difference between the cost of non current assets consumed and the capital financing set aside to pay for them.

The **Revaluation Reserve** was introduced on 1 April 2007 and reflects the difference between depreciated historical cost and carrying value of non current assets.

The **Pensions Reserve** was introduced on 1 April 2003 and reflects the future requirement to meet pension costs.

The **Employee Statutory Adjustment Account** was introduced on 1 April 2009 to reflect the cost of holiday entitlements and other leave earned by employees but not taken before the year-end which employees can carry forward into the next financial year, as explained more fully in the Accounting Policy on Employee Benefits on page 27.

Note 2 Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

For 2012/2013, the only accounting policy change that requires to be reported relates to the June 2011 amendments to the accounting standard IAS19 Employee Benefits. The change of accounting policy is effective from 1 April 2013 and there is no impact of this change on the accounts covering the 2012/13 financial year.

The key change relates to the expected return on scheme assets. The expected return on assets is currently credited to the Surplus or Deficit on the Provision of Services; however from 2013 this is effectively replaced with an equivalent figure using the discount rate.

While the overall impact is expected to be cost neutral, there will be a redistribution of costs within the Comprehensive Income and Expenditure Statement. By way of illustrating the impact of the accounting change upon the current year, there would be an increase in pensions interest cost and expected return on assets of £0.228 million (as assessed by the actuaries of the North East of Scotland Local Government Pension Scheme) chargeable to the Surplus or Deficit on the Provision of Services, with a compensating reduction of £0.228 million in actuarial (gains) or losses on pension assets and liabilities chargeable to Other Comprehensive Income and Expenditure.

NOTES TO THE ACCOUNTS (continued)

Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Treasurer has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government and hence to funding for the Board. However, the Board has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Board might be impaired as a result of a need to close facilities and reduce levels of service provision.

Note 4 Assumptions Made About The Future and Other Major Sources of Estimation Uncertainty

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

The items in the Board's Balance Sheet at 31 March 2013 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ From Assumptions
Pension 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.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £0.468m.

Note 5 Material Items of Income and Expenditure

Where material items of income and expenditure are not disclosed on the face of the Comprehensive Income and Expenditure Statement, the Code requires that the nature and amount of these items are disclosed in a note.

During 2012/13 there were no such items of income or expenditure regarded as material.

NOTES TO THE ACCOUNTS (continued)

Note 6 Events After The Balance Sheet Date

The unaudited Statement of Accounts was issued on 29 May 2013 and the Audited Statement of Accounts was authorised for issue on 29 August 2013 by Margaret Wilson, Treasurer. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2013, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations

	Usable Reserves		Unusable Reserves
	General Fund Balance	Capital Fund Balance	
2011/12	£000	£000	£000
<u>Adjustments involving the Capital Adjustments Account</u>			
Reversal of items Debited or Credited to the Comprehensive Income and Expenditure Account:			
Depreciation and Impairment	35	-	(35)
<u>Adjustments Primarily involving the Pensions Reserve</u>			
Movement in Pensions Reserve	(9)	-	9
<u>Adjustments Primarily involving the Employee Statutory Adjustment Account</u>			
Decrease in Employee Statutory Adjustment Account	(1)	-	1
Total Adjustments	25	-	(25)

NOTES TO THE ACCOUNTS (continued)

Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

	Usable Reserves		Unusable Reserves
	General Fund Balance	Capital Fund Balance	
2012/13	£000	£000	£000
<u>Adjustments involving the Capital Adjustments Account</u>			
Reversal of items Debited or Credited to the Comprehensive Income and Expenditure Account:			
Depreciation and Impairment	36	-	(36)
<u>Adjustments Primarily involving the Pensions Reserve</u>			
Movement in Pensions Reserve	21	-	(21)
<u>Adjustments Primarily involving the Employee Statutory Adjustment Account</u>			
Decrease in Employee Statutory Adjustment Account	(2)	-	2
Total Adjustments	55	-	(55)

Note 8 Financing and Investment Income and Expenditure

	2011/12 £000	2012/13 £000
Pensions interest cost and expected return on pensions assets	(43)	33
Interest receivable and similar income	(2)	(2)
	(45)	31

NOTES TO THE ACCOUNTS (continued)

Note 9 Property, Plant and Equipment

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Total Property, Plant and Equipment
	£000	£000	£000
Cost or valuation			
At 1 April 2011	675	210	885
At 31 March 2012	675	210	885
Accumulated Depreciation and Impairment			
At 1 April 2011	44	89	133
Depreciation charge	14	21	35
At 31 March 2012	58	110	168
Net Book Value			
At 31 March 2011	631	121	752
At 31 March 2012	617	100	717

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Total Property, Plant and Equipment
	£000	£000	£000
Cost or valuation			
At 1 April 2012	675	210	885
At 31 March 2013	675	210	885
Accumulated Depreciation and Impairment			
At 1 April 2012	58	110	168
Depreciation charge	15	21	36
At 31 March 2013	73	131	204
Net Book Value			
At 31 March 2012	617	100	717
At 31 March 2013	602	79	681

NOTES TO THE ACCOUNTS (continued)

Note 9 Property, Plant and Equipment (continued)

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:-

Other Land & Buildings - 33-60 years, land is not depreciated

Vehicles, Plant, Furniture & Equipment - 10 years

Revaluations

The Board carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. The last revaluation of Land and Buildings was done on 1 April 2008 and the next revaluation is scheduled during 2013/14. All valuations were carried out by the Moray Council's Head of Estates in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Vehicles, Plant, Furniture and Equipment are based on depreciated historic cost as a proxy for current fair values.

Capital Commitments

At 31 March 2013 the Board had no capital commitments for 2013/14 and future years.

Note 10 Long Term Debtors

	2011/12 £000	2012/13 £000
Car Loans	1	9

Note 11 Short Term Debtors

	2011/12 £000	2012/13 £000
Central Government bodies	-	28
Other Local Authorities	-	3
Other Entities and Individuals	23	36
	<hr/> 23	<hr/> 67

NOTES TO THE ACCOUNTS (continued)

Note 12 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents comprises:

	2011/12 £000	2012/13 £000
Temporary Investment in the Moray Council Loans Fund	577	536

Note 13 Short Term Creditors

	2011/12 £000	2012/13 £000
Central Government bodies	54	53
Other Local Authorities	236	263
Other Entities and Individuals	112	97
	<hr/> 402	<hr/> 413

Note 14 Financial Instruments

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. In the Board accounts this equates to the invoiced amounts or cash value. These amounts are also the fair values of these assets.

The Board has no material exposure to any of the following financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Board.
- Liquidity risk – the possibility that the Board might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Board as a result of changes in such measures as interest rates and stock market movements.

:

NOTES TO THE ACCOUNTS (continued)

Note 14 Financial Instruments (continued)

The Financial Instruments disclosed in the Balance Sheet are made up of the following categories:

	Long Term		Short Term	
	2011/12 £000	2012/13 £000	2011/12 £000	2012/13 £000
Debtors				
Loans & Receivables	1	9	3	6
Financial Assets carried at contract amounts	-	-	20	61
Total Debtors	1	9	23	67
Creditors				
Financial Liabilities carried at contract amounts	-	-	402	413
Cash and Cash Equivalents				
Cash Equivalent carried at contract amounts			577	536

Note 15 Usable Reserves

Movements in the Board's usable reserves are detailed in the Movement in Reserves Statement on page 18.

Note 16 Unusable Reserves

	2011/12 £000	2012/13 £000
Revaluation Reserve	165	162
Capital Adjustment Account	552	519
Pensions Reserve	(5,137)	(5,929)
Employee Statutory Adjustment Account	(68)	(66)
	(4,488)	(5,314)

NOTES TO THE ACCOUNTS (continued)

Note 16 Unusable Reserves (continued)

Revaluation Reserve

The Revaluation Reserve contains gains made by the Board arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:-

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2011/12 £000	2012/13 £000
Balance at 1 April	168	165
Difference between fair value depreciation and historical cost depreciation	(3)	(3)
Amount written off to the Capital Adjustment Account	(3)	(3)
Balance at 31 March	<u>165</u>	<u>162</u>

NOTES TO THE ACCOUNTS (continued)

Note 16 Unusable Reserves (continued)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis). The Account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, excluding those involving the Revaluation Reserve.

	2011/12	2012/13
	£000	£000
Balance at 1 April	584	552
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement		
Charges for depreciation and impairment of non-current assets	(35)	(36)
	(35)	(36)
Adjusting amounts written out of the Revaluation Reserve	3	3
Net written out amount of the cost of non-current assets consumed in the year	(32)	(33)
Balance 31 March	<u>552</u>	<u>519</u>

NOTES TO THE ACCOUNTS (continued)

Note 16 Unusable Reserves (continued)

Pensions Reserve

The Pensions 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 Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the 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 the benefits earned by past and current employees and the resources the 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.

	2011/12	2012/13
	£000	£000
Balance at 1 April	(4,104)	(5,137)
Actuarial gains or (losses) on pensions assets and liabilities	(1,042)	(771)
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	(428)	(465)
Employer's pensions contributions and direct payments to pensioners payable in the year	437	444
Balance at 31 March	<u>(5,137)</u>	<u>(5,929)</u>

NOTES TO THE ACCOUNTS (continued)

Note 16 Unusable Reserves (continued)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2011/12 £000	2012/13 £000
Balance at 1 April	(69)	(68)
Settlement or cancellation of accrual made at the end of the preceding year	69	68
Amounts accrued at the end of the current year	(68)	(66)
Balance at 31 March	<u>(68)</u>	<u>(66)</u>

Note 17 External Audit Costs

The Board has incurred the following costs in relation to the audit of the Statement of Accounts.

	2011/12 £000	2012/13 £000
Fees payable in respect of external audit services:		
audit fee	7	7
notified fixed charge element for the year	1	1
Total	<u>8</u>	<u>8</u>

NOTES TO THE ACCOUNTS (continued)

Note 18 Requisition and Grant Income

The Board credited the following requisitions to the Comprehensive Income and Expenditure Statement. The requisitions are based on population.

	2011/12 £000	2012/13 £000
Credited to Requisitions and Non Specific Grant Income:		
Requisition from Aberdeen City Council	1,525	1,512
Requisition from Aberdeenshire Council	1,750	1,722
Requisition from Moray Council	636	620
Total	<hr/> 3,911 <hr/>	<hr/> 3,854 <hr/>
Returned to constituent authorities:		
Aberdeen City Council	65	78
Aberdeenshire Council	75	88
Moray Council	27	32
Total	<hr/> 167 <hr/>	<hr/> 198 <hr/>

NOTES TO THE ACCOUNTS (continued)

Note 19 Related Parties

The Board is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board.

Constituent Authorities

The constituent authorities have the potential to control or influence the Board as they provide the majority of the Board's funding. Details are shown in Note 18. The Board also made payments to the constituent authorities in the normal course of business. The amounts are detailed below:

	2011/12 £000	2012/13 £000
Aberdeen City Council	2	3
Aberdeenshire Council	385	304
Moray Council	68	51

The amounts owed to the constituent authorities at 31 March were:

Aberdeen City Council	65	78
Aberdeenshire Council	144	153
Moray Council	27	32

Members

Members of the Board have direct control over the Board's financial and operating policies. The total of members' allowances paid is shown in the Remuneration Report.

Note 20 Leases

Board as Lessee

Operating Leases

The Board leases photocopiers and pays Aberdeenshire Council for the rental of their offices within Woodhill House under the terms of operating leases. The amount paid under these terms in 2012/13 was £0.114m, (£0.114m in 2011/12).

The future minimum lease payments due under non-cancellable leases in future years are:

	2011/12 £000	2012/13 £000
Not later than one year	114	114
Later than one year and not later than five years	453	339
	<hr/> 567	<hr/> 453

NOTES TO THE ACCOUNTS (continued)

Note 21 Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by Service Reporting Code of Practice. However, decisions about detailed resource allocation, within the overall budget agreed by the Board, are taken by the Assessor and reported to the Board in budget monitoring reports. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement).
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than the current service cost of benefits accrued in the year.
- expenditure classification differs from the Service Reporting Code of Practice.

The Board's income and expenditure recorded in the outturn report for the year is as follows:

Income and Expenditure

	2011/12	2012/13
	£000	£000
	Rating, Council Tax Valuation and Electoral Registration	Rating, Council Tax Valuation and Electoral Registration
Sales and Other Income	(10)	(35)
Interest on Revenue Balances	(2)	(1)
Total Income	(12)	(36)
Employee Costs	2,881	2,861
Property Costs	301	297
Transport Costs	69	70
Supplies and Services	383	415
Support Services	51	52
Total operating expenses	3,685	3,695
Net Expenditure	3,673	3,659

NOTES TO THE ACCOUNTS (continued)

Note 21 Amounts Reported for Resource Allocation Decisions (continued)

Reconciliation of Outturn Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of the Outturn Income and Expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2011/12 £000	2012/13 £000
Net Expenditure reported to the Board	3,673	3,659
<u>Add</u> Amounts in the Comprehensive Income and Expenditure not included in reports to the Board	68	22
<u>Add</u> Amounts reported to Management but not reported in Net Cost of Services	2	1
Net Cost of Services in Comprehensive Income and Expenditure Statement	<hr/> 3,743	<hr/> 3,682

NOTES TO THE ACCOUNTS (continued)

Note 21 Amounts Reported for Resource Allocation Decisions (continued)

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of the Outturn Income and Expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

Subjective Analysis 2011/12

	Board Analysis	Amounts not reported to the Board	Amounts not included in Net Cost of Services	Net Cost of Services	Corporate Amount	Total
Sales and Other Income	(10)	-	-	(10)	-	(10)
Interest and investment income	(2)	-	2	-	(2)	(2)
Government grants and contributions	-	-	-	-	(3,746)	(3,746)
Total Income	(12)	-	2	(10)	(3,748)	(3,758)
Employee Costs	2,881	-	-	2,881	-	2,881
Property Costs	301	-	-	301	-	301
Transport Costs	69	-	-	69	-	69
Supplies and Services	383	-	-	383	-	383
Support Costs	51	-	-	51	-	51
Depreciation, Amortisation and Impairment	-	35	-	35	-	35
IAS 19 Net Charges for Retirement Benefits	-	34	-	34	-	34
IAS 19 Holiday Pay Accrual	-	(1)	-	(1)	-	(1)
Pension Interest Cost and Expected Return on Pension Assets	-	-	-	-	(43)	(43)
Total Expenditure	3,685	68	-	3,753	(43)	3,710
Net Cost of Services	3,673	68	2	3,743	(3,791)	(48)
<u>(Surplus) or Deficit on the Provision of Services</u>						(48)

NOTES TO THE ACCOUNTS (continued)

Note 21 Amounts Reported for Resource Allocation Decisions (continued)

Reconciliation to Subjective Analysis

Subjective Analysis 2012/13

	Board Analysis	Amounts not reported to the Board	Amounts not included in Net Cost of Services	Net Cost of Services	Corporate Amount	Total
Sales and Other Income	(8)	-	-	(8)	-	(8)
Interest and investment income	(1)	-	1	-	(2)	(2)
Government grants and contributions	(27)	-	-	(27)	(3,656)	(3,683)
Total Income	(36)	-	1	(35)	(3,658)	(3,693)
Employee Costs	2,861	-	-	2,861	-	2,861
Property Costs	297	-	-	297	-	297
Transport Costs	70	-	-	70	-	70
Supplies and Services	415	-	-	415	-	415
Support Services	52	-	-	52	-	52
Depreciation, Amortisation and Impairment	-	36	-	36	-	36
IAS 19 Net Charges for Retirement Benefits	-	(12)	-	(12)	-	(12)
IAS 19 Holiday Pay Accrual	-	(2)	-	(2)	-	(2)
Pension Interest Cost and Expected Return on Pension Assets	-	-	-	-	33	33
Total Expenditure	3,695	22	-	3,717	33	3,750
Net Cost of Services	3,659	22	1	3,682	(3,625)	57
<u>(Surplus) or Deficit on the Provision of Services</u>						57

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme

Participation in Pension Scheme

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

The Board participates in the North East of Scotland Local Government Pension Scheme, which is administered by Aberdeen City Council. The Local Government Pension Scheme is a funded defined benefit scheme, based on final pensionable salary, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets over a period of time.

Transactions relating to Post-employment Benefits

In relation to the Local Government Pension Scheme, the Board recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge required to be made against requisitions is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out in the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement during the year:

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	2011/12	2012/13
	£000	£000
Cost of Services:		
Current Service Cost	471	432
Financing and Investment Income and Expenditure:		
Interest Cost	1,362	1,149
Expected Return on Assets in the Scheme	<u>(1,405)</u>	<u>(1,116)</u>
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	<u>428</u>	<u>465</u>
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.		
Actuarial (Gains) and Losses	<u>1,042</u>	<u>771</u>
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.	<u>1,470</u>	<u>1,236</u>
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	(1,033)	(792)
Actual amount charged against requisitions for pensions in the year	<u>437</u>	<u>444</u>

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (Continued)

Since the introduction of International Accounting Standards the cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to 31 March 2013 is a loss of £4.487m (£3.716m loss to 31 March 2012).

Assets and Liabilities in relation to Post Employment Benefits

The change in the net pensions liability is analysed into six components:

Current Service Cost: The increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Past Service Cost: The increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

Interest Cost: The expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Expected Return on Assets: The annual investment return on the fund assets attributable to the Board, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Actuarial Gains and Losses: Changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve.

Contributions Paid to the Pension Fund: Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Reconciliation of present value of the North East of Scotland Local Government Pension Scheme funded liabilities:

	31 March 2012	31 March 2013
	£'000	£'000
1 April	(24,890)	(23,454)
Current Service Cost	(471)	(432)
Interest Cost	(1,362)	(1,149)
Contributions by scheme participants	(152)	(152)
Actuarial Gains /(Losses)	2,558	(2,704)
Benefits Paid	863	615
31 March	(23,454)	(27,276)

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

Reconciliation of fair value of the North East of Scotland Local Government Pension Scheme assets:

	31 March 2012	31 March 2013
	£'000	£'000
1 April	20,786	18,317
Expected rate of return	1,405	1,116
Actuarial Gains/(Losses)	(3,600)	1,933
Employer Contributions	437	444
Contributions by scheme participants	152	152
Benefits Paid	(863)	(615)
31 March	18,317	21,347

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £3.049m (2011/12 £0.269m).

Scheme History

	2008/09	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000	£000
Fair Value of Assets	12,727	18,276	20,786	18,317	21,347
Present Value of Liabilities	(16,405)	(23,627)	(24,890)	(23,454)	(27,276)
Deficit in the scheme	(3,678)	(5,351)	(4,104)	(5,137)	(5,929)

The liabilities show the underlying commitments that the Board has in the long run to pay post employment (retirement) benefits. The total liability of £5.929m has a substantial impact on the net worth of the Board as recorded in the Balance Sheet, resulting in a negative overall balance of £5.049m. However, statutory arrangements for funding the deficit mean that the financial position of the Board remains healthy. The deficit on the pension scheme will be made good by increased contributions in future years over the remaining working life of employees, as assessed by the scheme actuary.

The total contributions expected to be made to the scheme in the year to 31 March 2014 are £0.444m.

Basis for Estimating Assets and Liabilities

The most recent valuation was carried out as at 31 March 2011 and has been updated by independent actuaries to the Aberdeen City Council Pension Fund, Mercer Limited, in order to assess the liabilities of the Fund as at 31 March 2013. Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

The principal assumptions used by the actuary have been:

	31 March 2012	31 March 2013
Discount rate	4.9%	4.2%
Rate of increase in salaries	4.25%	4.15%
Rate of increase in pensions	2.5%	2.4%
Rate of CPI inflation	2.5%	2.4%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.3	22.4
Women	25.3	25.4
Longevity at 65 for future pensioners:		
Men	24.6	24.7
Women	27.7	27.8
Commutation of Pension for Lump Sum at Retirement	50% take maximum cash 50% take 3/80ths cash	50% take maximum cash 50% take 3/80ths cash
Long-term expected rates of return on:		
Equities	7.0%	7.0%
Government Bonds	3.1%	2.8%
Other Bonds	4.1%	3.9%
Property	6.0%	5.7%
Cash / current assets	0.5%	0.5%
Other	7.0%	7.0%

History of Experience Gains and Losses

The history of experience gains and losses on the Pensions Reserve can be analysed into the following categories, measured in absolute amounts and as a percentage of assets or liabilities.

	2008/09		2009/10		2010/11		2011/12		2012/13	
	£000	%	£000	%	£000	%	£000	%	£000	%
Experience gains and (losses) on assets	(5,573)	(43.8)	4,138	22.6	682	3.3%	(3,600)	(19.7)	1,933	9.1%
Experience gains and (losses) on liabilities	1,784	10.9	-	-	-	-	2,973	12.7	-	-

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the members of Grampian Valuation Joint Board and the Accounts Commission for Scotland

We certify that we have audited the financial statements of Grampian Valuation Joint Board for the year ended 31 March 2013 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, and 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 2012/13 (the 2012/13 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 Responsible Financial Officer and auditor

As explained more fully in the Statement of Responsibilities, the Responsible Financial Officer 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 body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Responsible Financial Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements. 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 2012/13 Code of the state of the affairs of the body as at 31 March 2013 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 2012/13 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

INDEPENDENT AUDITORS' REPORT (continued)

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 1985; and
- the information given in the Explanatory Foreword 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 Statement on the System of Internal Financial Control does not comply with the 2012/13 Code; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

PricewaterhouseCoopers LLP
Glasgow
2 September 2013



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 25 OCTOBER 2013

**SUBJECT: REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1
APRIL TO 30 SEPTEMBER 2013**

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

- 1.1 To consider, the Revenue Budget Monitoring Statement for the Period 1 April to 30 September 2013.
- 1.2 To consider the Estimated Outturn position for the year 2013/14.

2. RECOMMENDATIONS

- 2.1 **It is recommended that the Board notes the Revenue Monitoring Statement for the period 1 April to 30 September 2013 and the Estimated Actual forecast for the financial year 2013/14.**

3. CURRENT POSITION

- 3.1 At its meeting on 25 January 2013, the Board agreed the Revenue Budget for 2013/14 and approved that the requisitions to constituent authorities should be set at £3,927,000.
- 3.2 The **APPENDIX** shows the monitoring position to 30 September 2013. It gives details of the 2013/14 Revenue Budget, the Actual to date and the Variance to date. It also shows the Estimated Outturn and the Estimated Actual Variance for the year.
- 3.3 Total net expenditure to 30 September 2013 is £1,742,000 which results in an underspend against budget to date of £179,000.
- 3.4 The bulk of the £179,000 underspend to date, £132,000 has been generated by an underspend in employee costs which is expected to rise to £191,000 by the end of the financial year. The estimated variance in staffing is due in the main to additional vacancies within the service and staff not at the top of the scale. The budget for the 5 FTE frozen posts has been deducted from employee costs so to more accurately reflect the Board's current budget.

- 3.5 Accommodation charges include rental and service charges for Woodhill House and the shared accommodation charge for the Elgin Office and car park. The underspend is in respect of charges for Woodhill House. The underspend has not been projected to the year end as Woodhill House rent is currently under review and it is anticipated that the full budget will be required.
- 3.6 Postages is also showing a substantial underspend to date of £41,000. This is because the timing of the canvass has been postponed and expenditure is expected to be on budget by the year end.
- 3.7 IT Maintenance and Support is overspent by £52,000 to date. Some £37,000 of these costs are being covered by grant from the Cabinet Office for the implementation of Individual Electoral Registration. Some IT consultancy costs are being incurred on an ad hoc basis to cover the reduction in available staff hours, which are reflected in the employee costs underspend. IT spend is being monitored very carefully by the Assessor and costs relating to Individual Electoral Registration (IER) will be largely recovered from the Cabinet Office. A significant element of the estimated year end overspend will therefore be recovered by recharges of costs which will be reflected on the income line.
- 3.8 Valuation Appeal costs are also underspent to date. These costs are very difficult to predict. As the Board will recall, a revised scale of charges was agreed for Panel Secretaries at the June meeting, and whilst the panel costs are expected to increase by £10,000 in 2012/13, at this stage the outturn, which covers appeals expenses and appeals panel costs, is estimated to come in on budget.
- 3.9 Grants and recharges relating to the introduction of IER have now been analysed out onto a separate income line in the monitoring report. The income on this line is the £18,000 funding allocation for the move towards IER which was reported in June. The outturn reflects additional income to recover costs incurred which are included in the outturn IT costs and staffing costs, including staff travel.

4.0 ESTIMATED OUTTURN 2013/14

- 4.1 The revenue budget is currently estimated to underspend by the year end. The amounts and main reasons for the variances between the budget and the estimated outturn are shown below.

	£'000	£'000
	Under/ (Overspend)	Under/ (Overspend)
Employee Costs		
Salary and related on-cost costs savings because of vacancies and staff below top of scale throughout the year.	171	
Other employee costs underspends	20	191
Property Costs		
Minor underspends – Repairs, energy and cleaning	4	4
Transport Costs		
Staff travel overspend – largely offset by income recoveries	(7)	(7)
Supplies & Services		
IT Hardware and Consultancy overspend – principally relating to IER (partially offset by income recoveries)	(71)	
Other supplies and services underspends	13	(58)
Support Services		
Overspend relating to charge for services from Lead Authority	(7)	(7)
Income		
Income recoveries in respect of recharges of costs relating to the introduction of IER.	96	96
Total Projected Underspend		219

5. CAPITAL FUND

- 5.1 The balance at 01 April 2013 was £72,000 and it is planned to retain this balance to meet future minor capital spend on accommodation requirements.

6 CONCLUSION

- 6.1 The Board's current financial position is an underspend of £179,000 which is expected to increase to £219,000 by the end of the financial year.
- 6.2 The Assessor and his Senior Management Team closely monitor and control budgets to keep within agreed levels of expenditure, to generate savings where possible and to ensure that all relevant costs are recovered from third parties timeously.

Author of Report :
Ref

Deborah Brands
DB/LMS/1289495

GRAMPIAN VALUATION JOINT BOARD REVENUE MONITORING STATEMENT FOR PERIOD 1 APRIL TO 30 SEPTEMBER 2013

Line No.	2013-14 Total Budget	2013-14 Budget to Date	Actual 30 September 2013	Variance 30 September 2013	2013-14 Estimated Outturn	2013-14 Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Employee Costs						
1 Salaries	2,323	1,161	1,088	73	2,190	133
2 National Insurance	190	95	85	10	177	13
3 Superannuation	448	225	208	17	423	25
4 Additional Pensions	23	12	2	10	4	19
5 Other Employee Costs	1	-	-	-	-	1
6 Electoral Registration	40	20	-	20	40	-
7 Training	11	5	3	2	11	-
Total Employee Costs	3,036	1,518	1,386	132	2,845	191
Property Costs						
8 Accommodation Charges	321	158	136	22	321	-
9 Repairs and Maintenance	5	2	2	-	3	2
10 Energy Costs	10	5	2	3	7	3
11 Cleaning	3	2	-	2	4	(1)
Total Property Costs	339	167	140	27	335	4
Transport Costs						
12 Staff Travel and Subsistence	68	34	37	(3)	75	(7)
Total Transport Costs	68	34	37	(3)	75	(7)
Supplies & Services						
13 Equipment, Furniture & Materials	9	4	7	(3)	9	-
14 Protective Clothing	1	-	-	-	1	-
15 Text & Reference Books	7	4	2	2	2	5
16 Printing & Stationery	22	11	8	3	22	-
17 Postages	165	83	42	41	165	-
18 Telephones	6	3	2	1	6	-
19 Advertising	5	2	4	(2)	5	-
20 IT Maintenance & Support	125	63	115	(52)	196	(71)
21 Expenses	30	1	2	(1)	30	-
22 Valuation Appeals	46	23	1	22	46	-
23 Members Allowances	5	-	-	-	-	5
24 Conference Expenses	-	-	-	-	-	-
25 Fees, Charges & Subs	6	2	-	2	6	-
26 Specialist Services	19	9	14	(5)	16	3
27 Other Supplies & Services	2	1	1	-	2	-
Total Supplies & Services	448	206	198	8	506	(58)
Support Services						
28 Lead Authority Charge	46	-	-	-	53	(7)
Total Support Services	46	-	-	-	53	(7)
Gross Expenditure	3,937	1,925	1,761	164	3,814	123
Income						
29 Sales and Other Income	(8)	(4)	(1)	(3)	(8)	-
Grants & Recharges relating to						
30 Individual Electoral Registration	-	-	(18)	18	(96)	96
31 Interest on Revenue balances	(2)	-	-	-	(2)	-
Total Income	(10)	(4)	(19)	15	(106)	96
32 Net Expenditure	3,927	1,921	1,742	179	3,708	219
33 Requisitions	(3,927)	(1,964)	(1,963)	-	(3,927)	-
34 (Surplus)/Deficit for Year	-	(43)	(221)	179	(219)	219



REPORT TO: Grampian Valuation Joint Board on 25 October 2013

SUBJECT: Register of Electors

BY: The Assessor & ERO

1. Reason for report

1.1 Inform the Board of developments in electoral registration.

2. Recommendation

2.1 **The Board note the content of this report.**

3. Background

3.1 The Board normally receive a detailed update on the progress of the annual canvass during the October meeting. In previous years the canvass would commence on 1 September with publication of the revised register by 1 December. The 2013 canvass was however postponed until October in accordance with The Electoral Registration (Postponement of 2013 Annual Canvass) Order 2013 that was made on 26 March 2013.

3.2 The canvass was delayed as part of a series of measures taken in order to accommodate a complex electoral calendar that extends over the next two years. This includes the refresh of absent voter signatures, the 2013 canvass with the publication of a revised registers by 10 March 2014 in Scotland, the preparation of a secure register of young voters for the referendum on Scottish independence, the European Parliamentary elections on 22 May 2014, the referendum on Scottish independence on 18 September 2014, the transition to individual electoral registration from October 2014 and publication of revised registers on 28 February 2015 ahead of the Westminster parliamentary elections in May 2015.

4. Absent voter signature refresh

4.1 Since the introduction of absent voting on demand in 2001, the number of electors choosing to vote by post or proxy has risen dramatically. In 2008, the government responded to concerns of electoral fraud by introducing a requirement for absent voters to provide personal identifiers. Anybody who wanted to continue to use an absent vote had to provide their date of birth and a sample signature that would be stored by the ERO and supplied to returning officers or counting officers at the time of an election or referendum so that the details provided by electors on their ballot paper security statement could be verified.

- 4.2 The signatures provided by absent voters are required to be refreshed in January once they are more than five years old. The government brought forward the first and second refreshes that were scheduled for January 2014 and January 2015 to commence between 1 August and 19 August 2013 as part of its re-scheduling of the electoral calendar. The Elections (Refresh of Signatures for Absent Voters) Regulations 2013 provided a precise 6-week timetable for the refresh of all signatures that would have been due to be refreshed during January 2014 and January 2015. The process involved an invitation to provide a fresh signature, a reminder and then a cancellation letter. In Grampian 44,223 invitations were issued on 1 August, 14,409 reminders and 5,223 absent vote cancellation notices were subsequently issued.
- 4.3 This exercise was supported by a public awareness campaign that succeeded in securing coverage on local radio news.

5. Canvass and young voters

- 5.1 The 2013 canvass postponement order dictated that the autumn household canvass could not commence prior to 1 October. The Scottish Independence Referendum (Franchise) Act 2013 prescribed young voters registration form that EROs are required to issue to every household during the canvass. By 10 March 2014 EROs are required to publish revised registers of electors and prepare, but not publish, a register of young voters.
- 5.2 During this October, households in Grampian will receive a canvass pack containing a standard household voter registration form, a young voters registration form, a quick guide for householders and a reply-paid return envelope. To facilitate returns, both forms are pre-populated with the names of the residents that records suggest are entitled to be registered and I anticipate that many households will find the automated returns service that enables a return to be made by using the phone, internet or by sending a text the most convenient means of making a return.
- 5.3 The canvass will be supported by a publicity campaign on television, along with media releases. Canvass information packs are also being made available to the education authorities and vulnerable groups. To increase awareness amongst the younger members of society, the service has continued to build upon previous work with Aberdeenshire elections unit and schools where special electoral registers and poll cards have been provided for pupils to participate in mock elections. This year, registers and poll cards were provided for schools to elect youth representatives to community councils and on 17 September 14,584 pupils were able to participate in a mock referendum across 21 secondary schools using registers and poll cards provided through this collaborative working. Media interest in this exercise was considerable and the joint Aberdeenshire/Grampian ERO public awareness campaign secured considerable exposure in the press and across broadcast media.

6. Individual electoral registration

- 6.1 I am working closely with the Cabinet Office Electoral Registration Transformation Programme and the Government Digital Service in the preparations for individual electoral registration (IER). Considerable investment in information technology has been required to adapt the service's internal 'closed' electoral registration system to an 'open' system that is capable of interacting with the centralised systems operated by the Government Digital Service. Cabinet Office has undertaken to meet these costs and is also contributing towards adaptation and further development of the electoral registration system that is necessitated by IER.
- 6.2 The Cabinet Office is also spearheading a new government communication framework standard that public authorities will require to meet. This standard not only refers to the software and hardware of the IT systems, but also to the physical security of information within the public authority. One requirement that is currently under examination is the requirement for employees to undergo criminal record checks and I am liaising with Moray Council Personnel, other EROs and the Cabinet Office on this matter.
- 6.3 IER will follow the referendum on Scottish independence next September and will commence with a comparison between entries on the electoral registers and data held by the Department of Work and Pensions (DWP). The results of that comparison will be used to indicate whether the current registration data can be accepted as accurate, whether there is a need to canvass the property using a household enquiry form or whether individual invitations to register should be issued to named individuals.
- 6.4 Where the household enquiry form is returned and provides the names of potential new electors, each potential new elector will require to be issued with an individual invitation to register. Registration will require the provision of the citizen's date of birth and national insurance number.
- 6.5 The ERO is required to follow-up non-returned housing enquiry forms and invitations to register with two reminders and a home visit. The draft legislation envisages the issue of civil penalties where citizens fail to make a response. The process is therefore considerably more complex than the traditional annual canvass where each household is issued with a canvass form and the registers are updated according to the return made by the householder.
- 6.7 As previously reported, IER presents significant resource issues for the Board that will crystallise once the legislation around the government's plans is finalised.

7. **Conclusion**

- 7.1 The service is in the throes of considerable adjustment. I am working with colleague EROs, the Cabinet Office, the Electoral Commission and the Scottish Government to ensure that we deliver what is required in terms of registration against a fairly fluid background of significant legislative change.

Author of Report: Ian H Milton



REPORT TO: Grampian Valuation Joint Board on 25 October 2013

SUBJECT: Valuation Roll & Council Tax Valuation List Performance Information

BY: The Assessor & ERO

1. Reason for Report

1.1 To provide performance information relative to the Valuation Roll and Council Tax Valuation List.

2. Recommendation

2.1 The Board note the report.

3. Background

3.1 The Board's Code of Corporate Governance provides a framework of performance measurement and evaluation. This code identifies a number of key performance indicators that provide quantitative data on the organisation's service delivery. The indicators that relate to the Council Tax Valuation List and Valuation Roll were reviewed in reports to the Board on 22 June 2012 and 28 June 2013 respectively.

4. Current Position

4.1 Valuation Roll

4.1.1 **Appendix 1** to this report provides the position for the period from 1 April to 30 September for the current year along with the figures for the two previous financial years. The service is achieving a level of performance which marginally exceeds that which I reported for the same time period in 2012. As usual, I would anticipate that this level of performance will decline as the financial year progresses as there is a reliance on property owners and occupiers to advise the Assessor of changes that they may make to the occupation of their property, that in turn may give rise to amendments to the roll.

4.1.2 Appeal resolution has progressed satisfactorily and I anticipate that the statutory deadline of 31 December 2013 for the resolution of Revaluation 2010 appeals will be met. The only exception to this rule is where appeals are referred to the Lands Tribunal for Scotland. The tribunal deals with more complex subjects of appeal and at present there are only a limited number of subjects in this category that have been referred to the tribunal

4.2 **Council Tax Valuation List**

4.2.1 **Appendix 2** to this report provides the position for the current financial year and the two previous financial years. Maintenance of the Council Tax valuation list is running to plan albeit that performance is marginally below that of the two previous years. The management team monitors performance on a week by week basis and has established that the variance is within the normal tolerable range and not due to any structural or process orientated issues. There is close liaison with developers in order to minimise the time lag between new dwellings becoming occupied and the new tenants or owners being notified of the band that their home has been allocated to.

4.2.2 Appeal volumes are very low with only 17 proposals and appeals currently lodged. Proposals become appeals once either six months have elapsed or the proposal is cited to be heard by a Valuation Appeal Committee.

5. **Conclusion**

5.1 The professionalism and commitment of staff must be recognised. They have continued to demonstrate their flexibility and versatility in ensuring demand is met both in terms of maintaining the roll and list whilst also dealing with the remaining revaluation appeals, which by definition are almost invariably the most demanding in terms of expertise.

Author of Report: Ian H Milton

Valuation Roll Performance Indicators as at 30 September 2013

	Time Period	2013/2014 (part year)	2012/2013	2011/2012
Amendments within time periods	0 - 3 Months	787	1,718	1,338
The number of amendments made to the valuation roll during the year as a result of material change of circumstances and new subjects.	%	83.0%	75.2%	68.8%
	<i>Threshold %</i>	77.0%	70.0%	70.0%
	3 - 6 Months	120	322	330
	%	12.7%	14.1%	17.0%
The time period is the period between the effective date of the amendment and the date the corresponding Valuation Notice is issued.	<i>Threshold %</i>	13.0%	15.0%	15.0%
	Over 6 Months	41	244	278
	%	4.3%	10.7%	14.3%
	<i>Threshold %</i>	10.0%	15.0%	15.0%
Number of amendments		948	2,284	1,946
Total number of entries	At 1 April	24,434	24,300	24,235
Total rateable value	At 1 April	£741.98M	£741.05M	£738.83M
Revaluation 2005 appealed assessments	Resolved in year	99	0	4
	Total resolved	5,457	5,358	5,358
	Total outstanding	6	105	105
	Loss*	2.18%	2.16%	2.16%
Revaluation 2010 appealed assessments	Resolved in year	821	1,993	4,024
	Total resolved	7,049	6,228	4,135
	Total outstanding	204	1,025	3,018
	Loss**	2.28%	1.97%	1.00%

*Compared to total RV as at 1 April 2005 (£515.35M)

**Compared to total RV as at 1 April 2010 (£728.36M)

Appendix 2

Council Tax Valuation List Performance Indicators as at 31 March 2013

	Time Period	2013/14	2012/13	2011/12
		(part year)		
New Entries within Time Periods	0 - 3 Months	1,211	2,500	2,342
The time period is the period between the effective date of the amendment and the date the corresponding Banding Notice is issued.	%	95.1%	96.7%	95.4%
	<i>Threshold</i> %	92.0%	92.0%	90.0%
	3 - 6 Months	44	58	65
	%	3.5%	2.2%	2.6%
	<i>Threshold</i> %	5.0%	5.0%	7.0%
	Over 6 Months	18	28	48
	%	1.4%	1.1%	2.0%
	<i>Threshold</i> %	3.0%	3.0%	3.0%
Number of New Entries Added		1,273	2,586	2,455
The Actual number of new dwellings added to the Valuation List during the year.				
Total Number of Entries		277,659	275,426	273,450
The actual number of properties shown in the Valuation List as at 1 April annually.				
Adjusted to Band "D" Equivalent		272,465	269,814	267,460



REPORT TO: Grampian Valuation Joint Board on 25 October 2013

SUBJECT: Public Performance Report

BY: The Assessor & ERO

1. Reason for Report

1.1 To seek approval for the publication of the twelfth public performance report.

2. Recommendation

2.1 The Board note the content and agree to the publication of the Public Performance Report provided as an appendix to this report.

3. Background

3.1 The Board's Code of Corporate Governance requires publication of an annual report incorporating financial and performance information.

4. Current Position

4.1 The public performance report provides financial, staffing and sickness absence data along with statistical data relative to the organisation's three service strands; council tax, valuation roll and electoral register. The report does not drill down to the level of detail provided in the quarterly and annual performance reports to the Board. It does however seek to provide an overview of the organisation's performance.

4.2 Board members will be aware that 2012/13 has been a good year for the organisation as it achieved significant increases in the percentage of alterations to the valuation roll and valuation list being made within the three month performance window. The canvass response performance has however dipped by 0.4%. A reduction in response of this magnitude does not raise significant concerns in terms of the effectiveness of the canvass. By 31 March 2013 87% of revaluation assessments that were subject to appeal had been resolved despite the significant number of revaluation (7,594) and running roll (8,072) appeals. The corresponding figure for running roll assessments that were subject to appeal and were resolved as at 31 March 2013 is 66%.

- 4.3 In terms of staff absences, there has been a significant and welcome decrease in the number of absences due to ill-health when compared to the previous year, with 427 absences in 2012/13 compared to 539 in 2011/12. The overall percentage of days lost to ill-health absence has fallen from 3.06% in 2011/12 to 2.39% in 2012/13.
- 4.4 Looking to the future, whilst the organisation has managed to deliver service improvements in terms of our performance indicators, against a decreasing budget in real terms, the challenges of individual electoral registration will require a reappraisal of long-term funding. The coalition government has undertaken to meet additional costs incurred during the introductory period; however the processes anticipated by the draft legislation indicate that the registration aspect of the service will require additional long-term funding.

5. Conclusion

- 5.1 The excellent performance levels set out in this report reflect the professionalism, dedication and innovative qualities of the staff involved. The employees of the organisation have continued to rise to the professional challenges of the workplace whilst dealing with the financial pressures imposed through a pay freeze throughout the period in question. I must express my appreciation to the Board's employees in continuing to meet these challenges.

Author of Report: Ian H Milton



Grampian Assessor & Electoral Registration Officer

Public Performance Report 2012/13

Introduction

The Grampian Assessor & Electoral Registration Officer (ERO) is an independent statutory official appointed by the Grampian Valuation Joint Board to value non-domestic properties for rating purposes, allocate dwellings to council tax bands and provide an electoral registration service for the Aberdeen, Aberdeenshire and Moray Council areas.

General Information

The Grampian Valuation Joint Board is a public body that funds the Assessor & ERO by means of requisitions from Aberdeen, Aberdeenshire and Moray councils. Total expenditure for 2012/13 was £3.659M against a budget of £3.854M. The Assessor & ERO has a full-time equivalent of 76 posts distributed between offices in Aberdeen, Banff and Elgin. As at 31 March 2013 there were 68 full-time equivalent staff in post. In the last year staff absence due to ill health amounted to 2.39%. This is a significant improvement on the previous year with a reduction of days lost to absence of 118 days.

2012/13

Local government elections took place in May and in the same month the coalition government published draft legislation for the introduction of individual electoral registration. In November 2012 The Scottish government announced that the next revaluation for non-domestic properties would be postponed by two years, from 2015 to 2017 and also embarked on a consultation into the future of the rating system. In December 2012 the Scottish government set out its plans for a secure register of young voters that would be used for 16 and 17 year olds in the referendum on Scottish independence.

For the second consecutive year no formal complaints have been made concerning the services we offer despite a wide customer base that is represented by our work in maintaining the assessment of rateable value for 24,300 non-domestic subjects, maintaining the council tax bands of some 275,000 dwellings and interacting with 430,000 electors at the time of the elections in May and the canvass in the autumn.

Council Tax List

The Council Tax Valuation Lists for Aberdeen, Aberdeenshire and Moray contain the addresses and council tax bands of all dwellings in each council area. The lists are published and can be inspected in the Grampian Assessor & ERO offices. The public can also look up any address in Scotland to check the council tax band that a dwelling is allocated to by using the Scottish Assessors Association website www.saa.gov.uk.

During the year 2,586 new dwellings were added to the list, with the owners or taxpayers receiving formal notice of the banding for 96.7% of the dwellings within 3 months of the dwelling being completed or occupied. This is 1.3 percentage points above the 95.4% achieved in the previous year. Table 1 shows the number of new dwellings added to the lists in Grampian each year since 2002/3 and also the percentage that received notification within the 3 and 6 month performance windows. Table 1 also shows the gradual increase in performance thresholds that have been set.

Table 1 The time taken to add new dwellings to the list

Year	Number	Within 3 months		Within 6 months	
		Threshold	Actual	Threshold	Actual
2012/13	2,568	92%	97%	97%	99%
2011/12	2,455	90%	95%	97%	98%
2010/11	2,715	90%	96%	97%	98%
2009/10	2,642	90%	92%	97%	98%
2008/09	2,803	88%	89%	96%	97%
2007/08	2,964	88%	92%	96%	98%
2006/07	3,078	88%	91%	96%	98%
2005/06	3,167	85%	88%	95%	98%
2004/05	2,994	85%	88%	95%	98%
2003/04	3,148	85%	90%	95%	98%
2002/03	2,907	85%	87%	95%	97%

Valuation Roll

The Valuation Rolls provide the address, owner, occupier and rateable value of non-domestic properties in the Aberdeen, Aberdeenshire and Moray council areas. Agricultural property is exempt from rating and is not included in the valuation rolls. The rolls are available for inspection in the Grampian Assessor and ERO offices and can be checked online by using the Scottish Assessors Association website www.saa.gov.uk which gives access to the valuation roll entries for all properties in Scotland free of charge.

Table 2 shows the number of alterations made to the roll each year along with the percentage of alterations that were made within the 3 and 6 month performance windows. Alterations include new entries to the valuation roll for newly constructed or converted buildings as well as alterations to existing buildings.

The filling of some vacant posts in 2011/12 has assisted us to improve our performance this year and we have increased the proportion of alterations being notified to owners and ratepayers within three months from 69% in 2011/12 to 75%. This has been achieved against a background of a 17% increase in the volume of alterations being made to the roll. Retention of professional staff however continues to present challenges for us due to the strength of the local economy.

During 2012/13 have continued to focus much of our resources on the resolution of appeals as we appreciate that ratepayers seek certainty in their rating assessments and this requires any disputes concerning the rateable value to be resolved with a minimum of delay.

Table 2 The time taken to alter the Valuation Roll

Year	Number	Within 3 months		Within 6 months	
		Threshold	Actual	Threshold	Actual
2012/13	2,284	70%	75%	85%	89%
2011/12	1,945	70%	69%	85%	86%
2010/11	2,502	70%	66%	85%	81%
2009/10	1,892	50%	57%	75%	73%
2008/09	2,248	50%	70%	75%	86%
2007/08	2,339	50%	65%	75%	85%
2006/07	2,187	50%	59%	75%	82%
2005/06	2,378	40%	60%	70%	72%
2004/05	1,937	40%	41%	70%	71%
2003/04	1,960	40%	50%	70%	77%
2002/03	1,826	35%	39%	65%	68%

There were 7,594 revaluation appeals lodged relative to the 2010 revaluation compared to 5,463 appeals lodged following the 2005 revaluation. The 2010 revaluation appeals relate to 7,253 property assessments, which have a combined rateable value of £559M. The law requires that these appeals are resolved prior to 31 December 2013. As at 31 March 2013, 6,228 property assessments that had been subject to appeals had been resolved. This equates to 87% of the assessments subject to revaluation appeals. In addition, the national economic downturn had given rise to 8,072 appeals lodged subsequent to the revaluation on 1 April 2010. By 31 March 2013, 66% of these appeals had also been resolved.

Electoral Register

The electoral register is a list of all citizens who are registered to vote in European, UK (Westminster), Scottish (Holyrood) and local government elections. The register is also used for elections to the Cairngorms National Park Authority and community councils.

The register is normally revised each December after the autumn canvass of the quarter of a million households in Grampian. There are two versions of the register. The full register is used for elections. The law also requires the ERO to make this version of the register available to financial organisations for credit reference purposes. The alternative version of the register is known as the Edited Register. Anybody can choose to have his or her name excluded from the Edited Register. The law requires the ERO to make the Edited Register available for general sale. Anybody who does not wish their name and address details to be purchased by companies such as direct marketing organisations should opt-out of the Edited Register when they make their canvass return each autumn.

If we do not receive a canvass return from an elector for two years and cannot verify by other inquiries whether the elector is resident, the elector is removed from the register. Any elector can apply to vote by post and the number making this choice has risen continuously from 13,000 in 2001 to more than 78,000 in 2012/13.

Table 3 provides the electorate and canvass return rate for Grampian along with the number of electors who have postal votes, the number of electors who have been removed due to non-returns and the number of electors who have opted out of the Edited Register.

Table 3 Electorate details for Grampian

Year	Electorate	Return Rate	Postal Voters	Electors removed after 2 years	Opt-outs from Edited Register
2012	430,927	92.2%	78,886	1,556	150,766
2011	427,105	92.6%	71,502	1,667	138,020
2010	411,047	87.9%	66,645	2,315	96,140
2009	406,422	87.9%	54,709	2,718	92,172
2008	406,654	87.8%	49,626	1,579	77,420
2007	405,474	78.3%	49,157	1,930	73,249

The Electoral Commission publishes performance standards for Electoral Registration Officers. For the last three years we have met or exceeded the standards set by the Commission.

The year was relatively quiet in terms of elections with registers prepared for the local government elections in May 2012 and a by-election in Moray during March 2013. Much of our time and resources has however been committed to preparations for the introduction of individual electoral registration and also a secure register for young voters in advance of the referendum that is to be held in 2014.

Conclusion

The organisation has continued to deliver service improvements in terms of performance against a background of continuing financial restraint, a stand-still budget and inflation led cost increases. The number of employees has been largely frozen for the second successive year. With 68 full-time equivalent employees in post against an establishment of 76 posts there is a trend towards increasing demands on the individuals in post. Service improvements have however been delivered through the professionalism, dedication and innovation. I am extremely grateful for the contribution of all personnel towards the valuation and registration services we provide in the North East of Scotland. Future challenges lie in dealing with the remainder of the valuation roll revaluation appeals, ensuring the secure register of young voters is as complete as possible and managing the introduction of individual electoral registration whilst also preparing for the revaluation of non-domestic properties for 2017.

Ian H Milton
Grampian Assessor & Electoral Registration Officer

Woodhill House, Westburn Road, Aberdeen AB16 5GE
assessor@grampian-vjb.gov.uk
Tel: 01224 664360

Mitchell Burnett House, Colleonard Road, Banff AB45 1DZ
banff@grampian-vjb.gov.uk
Tel: 01261 815516

234 High Street, Elgin IV30 1BA
elgin@grampian-vjb.gov.uk
Tel: 01343 541203

Web
www.grampian-vjb.gov.uk



REPORT TO: Grampian Valuation Joint Board on 25 October 2013

SUBJECT: IRRV Scottish Conference

BY: The Assessor & ERO

1. Reason for Report

1.1 To advise the Board of attendance at 'A New Outlook', the Institute of Revenues, Rating and Valuation (IRRV)'s Scottish conference.

2. Recommendation

2.1 The Board note the content of this report

3. Background

3.1 The IRRV is the largest UK based professional body operating in the field of local government revenues, rating and valuation. It holds an annual conference in Scotland, which has been attended by the Assessor and Valuation Joint Board since 1995. The Assessor is professionally qualified as a corporate member of the Institute and member of the Institute's Scottish Executive.

3.2 Councillor C Buchan and the Depute Assessor for Aberdeen and Moray attended the 2013 conference. As a result of a 'four for the price of three' delegate offer, they were accompanied by two principal valuers. The Assessor also attended at no cost to the Board.

3.3 Four surveyors also attended valuation workshops as day delegates to the conference. Such events provide vital professional development opportunities that all surveyors must fulfil to initially qualify as chartered surveyors and then to maintain that qualification.

4. The 2013 Conference

4.1 The conference took place on 4 and 5 September and was attended by fulltime and day delegates that included members from Councils and valuation authorities along with revenues, benefits and valuation staff.

4.2 Derek Mackay MSP, Minister for Local Government & Planning gave the ministerial address and provided an overview of the response to the government's consultation 'Supporting business, promoting growth' that examined the future of the rating system in Scotland. The response has identified a number of priorities for government:

- Business rates will be retained
- A new power to provide local flexibility is envisaged
- Relief applications need to be streamlined with more central guidance on the application of reliefs
- Rates avoidance loopholes are to be closed
- The valuation appeal process will be subject to a review
- A new website will be established to ensure ratepayers have ready access to all the necessary information relating to non-domestic rates.

The minister also referred to the new start and fresh start rate relief initiatives and stated that one of the prime objectives would be to minimise uncertainty for ratepayers.

4.3 Clare Elliot of the Department of Work and Pensions provided a progress report on the move towards Universal Credit and commented that the project completion date was 2017. Problems had however been encountered with the Cabinet Office driven move to a new government communications framework and this may impact on final delivery of the project.

4.4 Marianne Cook for the Scottish Government non-domestic rates team and David Lonsdale of CBI Scotland provided a more detailed analysis of the response to the Supporting business, promoting growth consultation. With particular reference to the CBI presentation, the issues set out for delegates were the unpopularity of the retail (health supplement) levy, the desire to have a national framework of reliefs that are aligned with the rest of the UK, the avoidance of local variation and greater transparency on the use that NDR income is put to.

4.4 In addition to the main sessions, the conference offered a number of instructive workshop sessions that were popular with delegates and allowed those attending to tailor their sessions to their specific area of expertise. Valuation workshops were led by extremely well qualified presenters that included Queens Counsel, senior partners of national surveying firms, Assessors and senior officials from the Valuation Office. The workshops covered the use of cost based asset valuations by rating surveyors, the current legal interpretation of how a material change of circumstances may impact on rateable value and the challenges facing local taxation assessment in the UK and Ireland.

5. Conclusion

- 5.1 The conference covered a broad range of current issues on both strategic and technical fronts. As such it was extremely useful to all of the Board's attendees and proved to be an excellent source of continuing professional development.