



GRAMPIAN VALUATION JOINT BOARD

FRIDAY 27 JUNE 2014 AT 10.30AM

NOTICE IS HEREBY GIVEN that a Meeting of the GRAMPIAN VALUATION JOINT BOARD is to be held in the COUNCIL CHAMBERS, MORAY COUNCIL HEADQ IGH STREET, ELGIN on FRIDAY 27 JUNE 2014 at 10.30am.

R D Burns
Clerk to the Board

19 June 2014

BUSINESS

1. Sederunt
2. Declaration of Financial and Other Interests*
3. Written Questions**
4. Minute of Meeting of the Board dated 24 January 2014
5. Unaudited Accounts for 2013/2014 – Report by Treasurer to the Board
6. Revenue Budget Monitoring Statement for the period 1 April to 31 May 2014 – Report by Treasurer to the Board
7. Internal Audit Annual Report – 2013/14 – Report by The Treasurer
8. Valuation Roll and Council Tax List – Report by The Assessor & ERO
– **To follow**
9. Register of Electors – Report by The Assessor & ERO
10. Risk Management - Report by The Assessor & ERO

- 11 IRRV Scottish Conference – Report by The Assessor & ERO
– **To follow**
- 12 Question Time***

Any person attending the meeting who requires access assistance should contact customer services on 01343 563217 in advance of the meeting.



SEDERUNT

COUNCILLOR R SHEPHERD (CONVENER)
COUNCILLOR G OWEN (DEPUTE CONVENER)
COUNCILLOR C BUCHAN
COUNCILLOR R CHRISTIE
COUNCILLOR I GRAY
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
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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 who will arrange for a written answer to be provided within 7 working days.



ITEM: 3

PAGE: 1

WRITTEN QUESTIONS



MINUTE OF MEETING OF THE GRAMPIAN VALUATION JOINT BOARD

FRIDAY 24 JANUARY 2014 AT 11.30AM

COUNCIL CHAMBERS, MORAY COUNCIL HEADQUARTERS, ELGIN

PRESENT

Councillors G. Owen (Depute Convener), C. Buchan, R. Christie, B. Cormie, A. Donnelly, A. Finlayson, I. Gray, M. Howe (substituting for G. Coull), L. Pirie and S. Stuart.

APOLOGIES

Apologies for absence were intimated on behalf of Councillors R Shepherd (Convener), G. Coull, R. Grant, S. Lonchay, J. Morrison and C. Tuke.

IN ATTENDANCE

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

1. CONVENER

In the absence of the Convener, Councillor Owen, in her role as Depute Convener of the Board, took the position of Convener.

2. SUBSTITUTES

The Convener reminded all Board Members that should they be unable to attend any meeting of the Board, they are able to send a substitute in their place and encouraged all Members to make every attempt to do so when submitting an apology.

3. WRITTEN QUESTIONS

The Board noted that no written questions had been submitted.

4. MINUTE OF MEETING OF 25 OCTOBER 2013

The minute of the meeting of the Board dated 25 October 2013 was submitted and approved as an accurate record.

5. REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 31 DECEMBER 2013

Under reference to paragraph 4 of the minute of this Board dated 25 January 2013, there was submitted and noted a report by the Treasurer inviting the Board to consider the Revenue Monitoring Statement for the period 1 April to 31 December 2013 and the Estimated Actual forecast for the financial year 2013/14, attached as Appendix to the report.

6. REVENUE BUDGET FOR 2014/15

There was submitted a report by the Treasurer inviting the Board to consider the Revenue Budget for 2014/15 and to agree the 2014/15 requisitions to the three Constituent Authorities.

Following consideration, the Board agreed to:

- (i) approve the Revenue Budget for 2014/15 to be set at £3,964,000, as detailed in Appendix 1 of the report;
- (ii) approve the requisitions for 2014/15 to the Constituent Authorities to be set at £3,964,000, as detailed in paragraph 6.2 of the report;
- (iii) note that nothing is included within the proposed budget for 2014/15 for the additional costs associated with the implementation of Individual Electoral Registration (IER) and instruct the Assessor to prepare a detailed budget for IER for 2014/15 within the additional funding being made available by the Cabinet Office for that purpose and to report to the next Board meeting; and
- (iv) note the indicative budgets for 2015/16 and 2016/17, as set out in Appendix 2 of the report.

7. INTERNAL AUDIT PLAN FOR 2012/13

There was submitted and noted a report by the Treasurer advising the Board of the planned internal audit coverage of the Assessor's Service for the financial year ended 31 March 2014, as detailed in Section 4 of the report.

8. REGISTER OF ELECTORS

There was submitted a report by the Assessor and Electoral Registration Officer (ERO) providing the Board with an update on the progress of the annual canvass and current developments in electoral registration.

The Board joined the Convener in congratulating the Assessor and ERO following his appointments to the Chair of the Scottish Assessors Association Electoral Registration Committee, the Electoral Management Board for Scotland and the Cabinet's Office's Expert Panel.

Following consideration, the Board agreed to:-

- (i) note the progress of the annual canvass and current developments in electoral registration, as set out in Sections 3 and 4 of the report; and
- (ii) congratulate the Assessor and ERO on his appointments to the Chair of the Scottish Assessors Association Electoral Registration Committee, the Electoral Management Board for Scotland and the Cabinet's Office's Expert Panel.

9. VALUATION ROLL AND COUNCIL TAX VALUATION LIST

There was submitted a report by the Assessor and Electoral Registration Officer (ERO) providing the Board with an performance information relative to the Valuation Roll and Council Tax Valuation List.

During discussion, Councillor Cormie moved that the Convener, on behalf of the Board, write to Mr J. Chisholm acknowledging his contribution following his retirement as Secretary to the Grampian Valuation Appeal Panel.

Following consideration, the Board agreed to:-

- (i) note performance information relative to the Valuation Roll and Council Tax Valuation List, as set out in Appendices 1 and 2 of the report; and
- (ii) write to Mr J. Chisholm acknowledging his contribution following his retirement as Secretary to the Grampian Valuation Appeal Panel.

10. QUESTION TIME

There were no questions raised.



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JUNE 2014

SUBJECT: UNAUDITED ACCOUNTS FOR 2013/14

BY: TREASURER TO THE BOARD

1. Reason for Report

1.1 To submit the unaudited Accounts for Grampian Valuation Joint Board for the year ended 31 March 2014.

2. Recommendation

2.1 It is recommended that the Board considers and approves the Unaudited Accounts of the Grampian Valuation Joint Board for the year to 31 March 2014.

3. Background

3.1 Joint Boards are required to account for their activities to the communities that they serve and to have the financial effect of those activities audited by External Auditors.

3.2 It is a statutory requirement that an Abstract of Accounts is submitted to the Controller of Audit by the 30 June in the next financial year. The Annual Report and Financial Statements were submitted to the Controller of Audit on 30 May 2014 and so the Board has met its statutory obligations in this regard. It is anticipated that the audited Accounts together with the External Auditor's Report will be submitted to the Board in October 2014.

4. 2013/14 Accounts

4.1 The Unaudited Accounts have been distributed with this report and a detailed statement comparing budget to actual spend for 2013/14 is shown in **Appendix 1** to this report.

- 4.2 The approved budget for 2013/14 was set at £3,927,000 and the total expenditure for the year was £3,615,000. The underspend of £312,000 is analysed in **Appendix 1** and described in paragraphs 4.8 to 4.15 below.
- 4.3 It was agreed by the Board at its meeting on 28 January 2011 that transfers to the General Fund would be restricted to 3% of the total budget in any one year and that the cumulative balance of the fund would not exceed 5% of the total budget. The budget in 2013/14 of £3,927,000 has increased the permitted maximum balance of the fund from £193,000 to £196,000 therefore a transfer of £3,000 will be made to the General Fund, giving a total anticipated refund of £309,000 to be returned to authorities when the accounts have been audited. The confirmed audited amount will be reported for approval at the next Board meeting in October 2014.
- 4.4 The Movement in Reserves Statement on page 19 shows the movement in the year on the different reserves held by the Board, analysed into Usable Reserves (i.e. those that can be used to fund expenditure) and Unusable Reserves which have been created for specific accounting entries and do not represent distributable funds.
- 4.5 The Usable Reserves show the reserves which Members of the Board have control over i.e. the General fund balance of £196,000 and the Capital fund balance of £72,000.
- 4.6 The Unusable Reserves include balances for the Revaluation Reserve, Capital Adjustment Account, Pensions Reserve and the Employee Statutory Adjustment Account. The movements in these reserves during the year are detailed in Note 16 to the accounts.
- 4.7 The Comprehensive Income and Expenditure Account shows a deficit of £372,000 on the provision of services for the year. After allowing for the reversal of statutory charges for International Accounting Standard 19 (IAS19) of £357,000 and depreciation and impairment of £18,000, there remains a surplus of £3,000 which has been transferred to the General Fund.
- 4.8 The underspend against budget in the year was £312,000 as detailed in **Appendix 1**. Vacancies throughout the year generated savings of £191,000.
- 4.9 Property Costs are under budget by £31,000. The Accommodation charges budget was set in 2013/14 in expectation of an increase in the annual service charge payable to Aberdeenshire Council for the Board's occupancy of Woodhill House. However the rent review is ongoing giving the resultant underspend. A further £5,000 underspend relates to energy costs at the Banff Office and Members will recall that the energy budget has been reduced for 2014/15.
- 4.10 Transport Costs are over budget by £5,000 as a result of increased mileage claims by employees. The budget was reduced in 2013/14 but has been

increased in 2014/15 by £5,000 to take account of the increased spend in staff travel.

- 4.11 Supplies and Services are overspent by £103,000 in total. There are variances on IT maintenance of £57,000, postages of £31,000, printing & stationery of £11,000 and advertising of £10,000. Overspends were expected in these areas and reported to the Board in January 2014, although the outturn on printing, postages and stationery is higher than was anticipated. The overall canvas cost was also £16,000 over budget, partly due to Young Voter Registration. The IT overspend related principally to Individual Electoral Registration (IER) and income recoveries have been made where possible for both IER and Young Voter Registration work. Specialist Services & Fees, Charges and Subs were underspent by £8,000. This includes the budget for Legal Fees, which can be difficult to predict year on year, although the 2014/15 budget has been reduced to reflect recent spend.
- 4.12 The Members allowances budget of £5,000 was unspent in the year. The Remuneration report on page 13 of the Accounts describes in more detail the policy for the Remuneration of Councillors and explains that the current Convener and Depute Convener do not receive any additional allowance for their roles on the Board. This budget has been removed in 2014/15.
- 4.13 Underspends on Supplies and Services include Valuation Appeals of £6,000. Valuation Appeals Committee (VAC) expenses is an area which is very difficult to forecast. The element of the budget for Valuation Appeal Panel remuneration was overspent as anticipated because of the revised Remuneration Scheme agreed by the Board in June 2013, and the budget for 2014/15 was increased to reflect this.
- 4.14 Support Services is the charge from Moray Council for the central support functions, such as Finance, Legal and HR, that support the service.
- 4.15 Income received during the year exceeded the budget as sales of electoral registers were higher than anticipated. Income was also received from the Government for the reimbursement of costs incurred for the transition to Individual Electoral Registration and Young Voter Registration in connection with the Referendum. This income had not been anticipated at the time of compiling the budget, both governments had yet to determine what funding they would make available to Electoral Registration Officers.

5. Conclusion

- 5.1 The Board met the statutory deadline for the submission of the annual accounts to the Controller of Audit. The Board generated a surplus of £312,000 for the year to 31 March 2014. It is anticipated that a total of £309,000 will be returned to constituent authorities when the annual audit is completed.

Author of Report: Deborah Brands, Principal Accountant
Background papers: Held within Accountancy Section, Moray Council
Date: 17 June 2014

Signature:

Designation: Treasurer

Name: Margaret Wilson

Date: 17 June 2014

Grampian Valuation Joint Board

Detailed Budget Monitoring Statement for Year ended 31 March 2014

Line No.		2013-14 Budget £	2013-14 Actual £	2013-14 Variance £
	Employee Costs			
1	Salaries	2,323	2,189	134
2	National Insurance	190	172	18
3	Superannuation	448	418	30
4	Additional Pensions	23	22	1
5	Other Employee Costs	1	1	-
6	Electoral Registration	40	37	3
7	Training	11	6	5
	Total Employee Costs	3,036	2,845	191
	Property Costs			
8	Accommodation Charges	321	298	23
9	Repairs and Maintenance	5	2	3
10	Energy Costs	10	5	5
11	Cleaning	3	3	-
	Total Property Costs	339	308	31
	Transport Costs			
12	Staff Travel and Subsistence	68	73	(5)
	Total Transport Costs	68	73	(5)
	Supplies & Services			
13	Equipment, Furniture & Materials	9	7	2
14	Protective Clothing	1	-	1
15	Text & Reference Books	7	7	-
16	Printing & Stationery	22	33	(11)
17	Postages	165	196	(31)
18	Telephones	6	6	-
19	Advertising	5	15	(10)
20	IT Maintenance & Support	125	182	(57)
21	Expenses	30	46	(16)
22	Valuation Appeals	46	40	6
23	Members Allowances	5	-	5
24	Conference Expenses	-	-	-
25	Specialist Services	19	16	3
26	Fees, Charges & Subs	6	1	5
27	Other Supplies & Services	2	2	-
	Total Supplies & Services	448	551	(103)
	Support Services			
28	Lead Authority Charge	46	54	(8)
	Total Support Services	46	54	(8)
	Gross Expenditure	3,937	3,831	106
	Income			
29	Sales and Other Income	(8)	(18)	10
	Grants & Recharges relating to Individual Electoral Registration and			
30	Young Voter registration	-	(196)	196
31	Interest on Revenue balances	(2)	(2)	-
	Total Income	(10)	(216)	206
	Net Expenditure	3,927	3,615	312
	Requisitions	(3,927)	(3,927)	-
32	Refund to Authorities			
33	(Surplus)/Deficit for Year	-	(312)	312

Less amount to be transferred to General Fund
Surplus to be returned to Constituent Authorities

3
(309)

UNAUDITED ACCOUNTS

**GRAMPIAN
VALUATION
JOINT BOARD**

**ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED
31 MARCH 2014**

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 chcieliby 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



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(Wednesday or Thursday only): 18002 01343563603

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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 a comprehensive support service to the Board including finance, legal services, IT and human resources. 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 2014.

The **Cash Flow Statement** summarises the flows of cash into and out of the Board for the year to 31 March 2014.

EXPLANATORY FOREWORD BY THE TREASURER (continued)

FINANCIAL PERFORMANCE 2013/14

The Board's financial results for the year compared against budget are shown below.

Actual 2012/13 £000		Budget 2013/14 £000	Actual 2013/14 £000
2,861	Staff Costs	3,036	2,845
297	Property Costs	339	308
70	Transport Costs	68	73
415	Supplies and Services	448	551
52	Support Services	46	54
3,695	Gross Expenditure	3,937	3,831
35	Sales and Miscellaneous Income	8	18
-	Government Grants and Recharges Income	-	196
1	Interest on Revenue Balances	2	2
36	Gross Income	10	216
3,659	Net Expenditure	3,927	3,615

At the meeting of the Board on the 25 January 2013 the revenue budget for 2013/14 was approved at £3.927m (2012/13 £3.854m). The actual expenditure requisitioned from the constituent authorities was £3,615m (2012/13 £3.659m). The underspend of £0.312m (2012/13 £0.195m) can be analysed as follows:

2012/13 £000		2013/14 £000
111	Staff Costs	191
28	Property Costs	31
4	Transport Costs	(5)
29	Supplies and Services	(103)
(6)	Support Services	(8)
29	Income	206
195	Net Underspend Against Budget	312

The main reason for the underspend in staff costs was vacant posts. The Property Costs budget was increased in 2013/14 in anticipation of an increase in the annual service charge payable to Aberdeenshire Council for the Board's occupancy of Woodhill House, but as this wasn't realised it has resulted in an underspend against budget. Supplies and Services expenditure was over budget on postages, IT expenses and general expenses due to the Young Voter Canvas although this was offset by income recoveries as the Board received £0.196m grant income to defray the implementation costs of Individual Electoral Registration and Young Voter 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 2013/14 (continued)

projects which would require one-off expenditure in order to deliver future budget savings and would also be used to smooth expenditure one year to the next. 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 maximum amount that can be transferred to the General Fund in 2013/14 is £0.003m. This will take the balance on the General Fund to the maximum permitted, i.e. 5% of the total budget for 2013/14 which equates to £0.196m. The remaining underspend of £0.309m will be returned to the authorities.

The Comprehensive Income and Expenditure Statement shows a deficit of £0.372m on the provision of services for the year. After allowing for the reversal of statutory charges for International Accounting Standard 19 (IAS19) of £0.357m, depreciation and impairment totalling £0.18m, there remains a surplus 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 £0.309m. This is allocated between the constituent authorities on the basis of population and will be returned to authorities after the accounts are audited. For 2013/14 the amount to be returned has been allocated as follows:

2012/13		Constituent Authority	2013/14	
£000	%		£000	%
78	39	Aberdeen City Council	121	39
88	45	Aberdeenshire Council	138	45
32	16	Moray Council	50	16
<u>198</u>	<u>100</u>	Total	<u>309</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 2014 was £0.072m (2012/13 £0.072m).

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 2013/14 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. Despite inflationary and operational pressures in some areas of the budget, some efficiencies in working practices were also reflected and the 2013/14 revenue budget increase compared to 2012/13 was 1.9% in cash terms. Almost 96% of the increase related to anticipated pay awards, anniversary increments and related overheads.

The Board set a budget for 2014/15 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.

EXPLANATORY FOREWORD BY THE TREASURER (continued)

The Assessor has tried to alleviate the impact of these pressures and has generated savings in the budget from continued efficiencies in working practices. The transition to individual electoral registration to takes place in 2014/15 and although some funding towards costs has been allocated by the Cabinet Office, the full impact of the emerging detailed legislation on expenditure has added a further element of uncertainty.

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 £4.007m as at 31 March 2014 (31 March 2013 £5.929m) due to the accrual of pension liabilities in accordance with IAS 19.

CHANGE OF ACCOUNTING POLICY

On 1 April 2013, the Board implemented a change in accounting policy relating to the June 2011 amendments to the accounting standard IAS 19 Employee Benefits. The key change relates to the expected return on assets and in order to permit a meaningful comparison between financial years, some figures in the previous year's audited financial statements have been restated. The details of the changes are summarised in note 22 to the accounts.

EXPLANATORY FOREWORD BY THE TREASURER (continued)

GOING CONCERN

The accrual of pension liabilities has a significant impact on the Balance Sheet at 31 March 2014 which shows an excess of liabilities over assets of £3.080m (£5.049m at 31 March 2013). 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 May 2014**

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.

Impairment:

Impairment is a charge to the Comprehensive Income and Expenditure Account, reflecting that the recoverable amount of an asset is less than its carrying amount.

GLOSSARY OF TERMS (Continued)

INCOME

Customer and Client Receipts:

Income received for services provided.

Requisitions:

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

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 2013/14 (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 2014.

Margaret Wilson
Treasurer
30 May 2014

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 2014. 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 2013/14 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 2014, 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 reduction in funding from the three constituent authorities and the impact of this on service delivery
- The introduction of Individual Electoral Registration (IER) and the consequential impact on workloads
- The shift in taxation ethos from Council Tax to Local Income Tax

Additionally, although financial limits for the Assessor and his staff are indexed as required and approved by the Treasurer, the Financial Regulations were last agreed by the Board in January 2010 and will be reviewed during 2014/15.

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 2014.

Margaret Wilson
Treasurer
30 May 2014

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 4 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 Convener or Vice Convener is a member pays the remuneration appropriate to the member's work with the joint board. Conveners 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 Convener's remuneration is calculated on the basis of the basic salary plus 75 percent of the difference between the basic salary and the Convener's salary, i.e. £19,279 per annum. These rates have been effective from 1 April 2009.

The Board has an arrangement with each Council which remunerates the Convener and Vice-Convener/s to reimburse the Council for the additional costs of that councillor arising from them being a Convener or Vice-Convener of the Board.

Remuneration of Senior Councillors, Convener and Vice-Convener

Councillor Shepherd is Convener of the Grampian Valuation Joint Board for the period to May 2017. 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.

Councillor Owen is Depute Convener of the Board for the period to May 2017. She receives a Special Responsibility Allowance from Aberdeenshire Council for her role as Chair of the Scrutiny and Audit Committee 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 Councillors (Table 1)

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

Type of Remuneration	2013/14	2012/13
	£	£
Salaries	-	367
Expenses	532	532
TOTAL	532	899

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.

These regulations apply equally to Joint Boards and 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 2 below.

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 REPORT (continued)

Remuneration of Senior Employees of the Board (Table 2)

Name and Post Title	Salary, fees and allowances	Taxable Expenses	Total Remuneration 2013/14	Total Remuneration 2012/13
	£	£	£	£
Ian Milton - Assessor & ERO	102,371	539	102,910	102,013
Gavin Oag - Depute Assessor & ERO	79,831	617	80,448	79,685
Mark Adam - Depute Assessor & ERO	71,153	637	71,790	71,109
TOTAL	253,355	1,793	255,148	252,807

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 3 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 Pension Fund 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 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 2013/14 are the same as for 2012/13; however the earnings bands have changed as shown in the table below. The figures for 2012/13 are shown in brackets for comparison.

Whole time earnings (2012/13 in brackets)	Contribution rate 2013/14	Contribution rate 2012/13
On earnings up to and including £19,800 (£19,400)	5.50%	5.50%
On earnings above £19,800 and up to £24,200 (£19,400 - £23,700)	7.25%	7.25%
On earnings above £24,200 and up to £33,200 (£23,700 - £32,500)	8.50%	8.50%
On earnings above £33,200 and up to £44,200 (£32,500 - £43,300)	9.50%	9.50%
On earnings above £44,200 (£43,300)	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) some 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 Employees (Table 3)

The pension entitlements of Senior Employees for the year to 31 March 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 2014	For the year to 31 March 2013		As at 31 March 2014	Difference from March 2013
	£	£		£	£
Ian Milton Assessor and ERO	19,730	19,535	Pension Lump Sum 40,095 94,726	2,084 937	
Gavin Oag Depute Assessor & ERO	15,380	15,228	Pension Lump Sum 25,840 57,597	1,571 570	
Mark Adam Depute Assessor & ERO	13,705	13,569	Pension Lump Sum 26,688 62,312	1,436 617	
TOTAL	48,815	48,332		7,215	

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 4 below.

General Disclosure by Pay Band (Table 4)

The Table includes the remuneration of the senior employees detailed in Table 2.

Remuneration Band	Number of employees	
	2013/14	2012/13
£50,000 - £54,999	4	4
£70,000 - £74,999	1	1
£75,000 - £79,999	-	1
£80,000 - £84,999	1	-
£100,000 - £104,999	1	1
Total	7	7

Margaret Wilson
Treasurer
30 May 2014

MOVEMENT IN RESERVES STATEMENT AS AT 31 MARCH 2014

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 2012/13 for comparative purposes.

	General Fund £000 Restated	Capital Fund £000	Total Usable Reserves £000 Restated	Unusable Reserves (Note 16) £000 Restated	Total Board Reserves £000 Restated
Balance at 31 March 2012	196	71	267	(4,488)	(4,221)
Surplus/(Deficit)on provision of services (accounting basis)	(285)	-	(285)	-	(285)
Other Comprehensive Expenditure and Income	-	-	-	(543)	(543)
Total Comprehensive Income and Expenditure	(285)	-	(285)	(543)	(828)
Adjustments between accounting basis & funding basis under regulations (Note 7)	283	-	283	(283)	-
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)

MOVEMENT IN RESERVES STATEMENT AS AT 31 MARCH 2014 (continued)

	General Fund £000	Capital Fund £000	Total Usable Reserves £000	Unusable Reserves (Note 16) £000	Total Board Reserves £000
Balance at 31 March 2013	193	72	265	(5,314)	(5,049)
Surplus/(Deficit) on provision of services (accounting basis)	(372)	-	(372)	-	(372)
Other Comprehensive Expenditure and Income	-	-	-	2,341	2,341
Total Comprehensive Income and Expenditure	(372)	-	(372)	2,341	1,969
Adjustments between accounting basis & funding basis under regulations (Note 7)	375	-	375	(375)	-
Net Increase / (Decrease) before Transfers to Other Statutory Reserves	3	-	3	1,966	1,969
Increase / (Decrease) in Year	3	-	3	1,966	1,969
Balance at 31 March 2014	196	72	268	(3,348)	(3,080)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the expenditure to be funded from requisitions. The Board raises requisitions from the three constituent Local Authorities in accordance with statute and this is different from the accounting cost. The effect on the General Fund is shown in the Movement in Reserves Statement.

	31 March 2013			Note	31 March 2014		
	£000 Restated Expenditure	£000 Income	£000 Restated Net		£000 Expenditure	£000 Income	£000 Net
	3,722	(35)	3,687		3,942	(214)	3,728
Rating and Council Tax Valuation and Electoral Registration							
	15	-	15		16	-	16
Corporate and Democratic Core							
3,737	(35)	3,702	Cost Of Services		3,958	(214)	3,744
	241	(2)	239	8	248	(2)	246
Financing and Investment Income and Expenditure							
			(3,656)				(3,618)
Requisitions and Non-Specific Grant Income							
			285	21			372
(Surplus)/Deficit on Provision of Services							
			-	9			(77)
Surplus on revaluation of Property, Plant and Equipment							
			543	22			(2,264)
Remeasurement of the Net Defined Benefit Liability							
			543				(2,341)
Other Comprehensive Income and Expenditure							
			828				(1,969)
Total Comprehensive Income and Expenditure							

BALANCE SHEET AS AT 31 MARCH 2014

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 2013 £000		Note	31 March 2014 £000
681	Property, Plant & Equipment	9	740
9	Long Term Debtors	10	11
690	Long Term Assets		751
67	Short Term Debtors	11	218
536	Cash and Cash Equivalents	12	547
603	Current Assets		765
(413)	Short Term Creditors	13	(589)
(413)	Current Liabilities		(589)
(5,929)	Other Long Term Liabilities	22	(4,007)
(5,929)	Long Term Liabilities		(4,007)
(5,049)	Net Liabilities		(3,080)
	Usable reserves	15	
193	General Fund		196
72	Capital Fund		72
265	Total		268
	Unusable Reserves	16	
162	Revaluation Reserve		235
519	Capital Adjustment Account		505
(5,929)	Pensions Reserve		(4,007)
(66)	Employee Statutory Adjustment Account		(81)
(5,314)	Total		(3,348)
(5,049)	Total Reserves		(3,080)

Treasurer
30 May 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 2013 £000 Restated		31 March 2014 £000
285	Net (surplus) or deficit on the provision of services	372
(244)	Adjust net (surplus) or deficit on the provision of services for non cash movements	(383)
<hr/> 41	Net cash flows from Operating Activities	<hr/> (11)
41	Net (increase) or decrease in cash and cash equivalents	(11)
577	Cash and cash equivalents at the beginning of the financial year	536
<hr/> <u>536</u>	Cash and cash equivalents at the end of the financial year	<hr/> <u>547</u>

NOTES TO THE ACCOUNTS

NOTE 1 Accounting Policies

General Principles

The Statement of Accounts summarises the Board's transactions for the 2013/14 financial year and its position at the year-end of 31 March 2014. 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 2013/14 and the Service Reporting Code of Practice 2013/14, 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 2014.

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 2014.

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 2014.

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 in exchange for those benefits and are charged on an accruals basis to the relevant service line (or discontinued operations) in the Comprehensive Income and Expenditure Statement at the earlier of when the Board can no longer withdraw the offer of those benefits or when the Board recognises costs for a restructuring.

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 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 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 4.4% (based on long-term redemption yields available on AA rated corporate bonds of appropriate duration).

The assets of the North East 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 29.

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

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2014/15 Code:

- IFRS 10 Consolidated Financial Statements (May 2011)
- IFRS 11 Joint Arrangements (May 2011)
- IFRS 12 Disclosure of Interests in Other Entities (May 2011)
- IAS 27 Separate Financial Statements (as amended in May 2011)
- IAS 28 Investments in Associates and Joint ventures (as amended in May 2011)
- IAS 32 Financial Instruments: Presentation (as amended in December 2011)
- Annual Improvements to IFRS 2009-2011 Cycle

The Code requires implementation from 1 April 2014 and there is, therefore, no impact on the 2013/14 financial statements.

IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 relate specifically to group accounts and will not, therefore, have any impact on the financial statements of the Board. IAS 32 outlines disclosure requirements in respect of offsetting financial assets and liabilities. IFRS improvements are generally minor, principally providing clarification. IAS 32 and IFRS improvements are not expected to have a significant impact on the financial statements.

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 2014 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 £0.472m.

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 2013/14 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 30 May 2014. Any events that would affect the Balance Sheet at 31 March 2014 have been considered up to this date.

Note 7 Adjustments between Accounting Basis and Funding Basis under Regulations

	Usable Reserves		Unusable Reserves
	General Fund Balance	Capital Fund Balance	
<u>2012/13</u>	£000 Restated	£000	£000 Restated
<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	249	-	(249)
<u>Adjustments Primarily involving the Employee Statutory Adjustment Account</u>			
Decrease in Employee Statutory Adjustment Account	(2)	-	2
Total Adjustments	283	-	(283)

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	
<u>2013/14</u>	£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	18	-	(18)
<u>Adjustments Primarily involving the Pensions Reserve</u>			
Movement in Pensions Reserve	342	-	(342)
<u>Adjustments Primarily involving the Employee Statutory Adjustment Account</u>			
Increase in Employee Statutory Adjustment Account	15	-	(15)
Total Adjustments	375	-	(375)

Note 8 Financing and Investment Income and Expenditure

	2012/13 £000 Restated	2013/14 £000
Pensions interest cost and expected return on pensions assets	241	248
Interest receivable and similar income	(2)	(2)
	239	246

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 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

	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Total Property, Plant and Equipment
	£000	£000	£000
Cost or valuation			
At 1 April 2013	675	210	885
Revaluation increases recognised in the Revaluation Reserve	25	-	25
Revaluation increases recognised in the Provision of Services	(4)	-	(4)
At 31 March 2014	696	210	906
Accumulated Depreciation and Impairment			
At 1 April 2013	73	131	204
Depreciation written out to the Revaluation Reserve	(52)	-	(52)
Depreciation written out to the Provision of Services	(21)	-	(21)
Depreciation charge	14	21	35
At 31 March 2014	14	152	166
Net Book Value			
At 31 March 2013	602	79	681
At 31 March 2014	682	58	740

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 with effect from on 1 April 2013 and the next revaluation is scheduled during 2018/19. 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 2014 the Board had no capital commitments for 2014/15 and future years.

Note 10 Long Term Debtors

	2012/13	2013/14
	£000	£000
Car Loans	9	11

Note 11 Short Term Debtors

	2012/13	2013/14
	£000	£000
Central Government bodies	28	170
Other Local Authorities	3	3
Other Entities and Individuals	36	45
	<hr/> 67	<hr/> 218

NOTES TO THE ACCOUNTS (continued)

Note 12 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents comprises:

	2012/13 £000	2013/14 £000
Temporary Investment in the Moray Council Loans Fund	536	546

Note 13 Short Term Creditors

	2012/13 £000	2013/14 £000
Central Government bodies	53	71
Other Local Authorities	263	379
Other Entities and Individuals	97	138
	<hr/> 413	<hr/> 588

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	
	2013/13 £000	2013/14 £000	2013/13 £000	2013/14 £000
Debtors				
Loans & Receivables	9	11	6	6
Financial Assets carried at contract amounts	-	-	61	212
Total Debtors	9	11	67	218
Creditors				
Financial Liabilities carried at contract amounts			413	588
Cash and Cash Equivalents				
Cash Equivalent carried at contract amounts			536	546

Note 15 Usable Reserves

Movements in the Board's usable reserves are detailed in the Movement in Reserves Statement on page 20.

Note 16 Unusable Reserves

	2012/13 £000	2013/14 £000
Revaluation Reserve	162	235
Capital Adjustment Account	519	505
Pensions Reserve	(5,929)	(4,007)
Employee Statutory Adjustment Account	(66)	(81)
	<u>(5,314)</u>	<u>(3,348)</u>

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.

	2012/13 £000	2013/14 £000
Balance at 1 April	165	162
Revaluations		
Upward revaluation of assets not posted to the Surplus or Deficit on the Provision of Services	-	77
Difference between fair value depreciation and historical cost depreciation written off to the Capital Adjustment Account	(3)	(4)
Balance at 31 March	<u>162</u>	<u>235</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.

	2012/13	2013/14
	£000	£000
Balance at 1 April	552	519
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	(36)	(18)
Adjusting amounts written out of the Revaluation Reserve	3	4
Net written out amount of the cost of non-current assets consumed in the year	(33)	(14)
Balance 31 March	519	505

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.

	2012/13 £000 Restated	2013/14 £000
Balance at 1 April	(5,137)	(5,929)
Remeasurements of the net defined benefit liability/asset	(543)	2,264
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	(693)	(781)
Employer's pensions contributions and direct payments to pensioners payable in the year	444	439
Balance at 31 March	<u>(5,929)</u>	<u>(4,007)</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.

	2012/13 £000	2013/14 £000
Balance at 1 April	(68)	(66)
Settlement or cancellation of accrual made at the end of the preceding year	68	66
Amounts accrued at the end of the current year	(66)	(81)
Balance at 31 March	<u>(66)</u>	<u>(81)</u>

Note 17 External Audit Costs

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

	2012/13 £000	2013/14 £000
Fees payable in respect of external audit Services carried out by the appointed Auditor for the year	8	8
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.

	2012/13 £000	2013/14 £000
Credited to Requisitions and Non Specific Grant Income:		
Requisition from Aberdeen City Council	1,512	1,540
Requisition from Aberdeenshire Council	1,722	1,755
Requisition from Moray Council	620	632
Total	<hr/> 3,854 <hr/>	<hr/> 3,927 <hr/>
Returned to constituent authorities:		
Aberdeen City Council	78	121
Aberdeenshire Council	88	138
Moray Council	32	50
Total	<hr/> 198 <hr/>	<hr/> 309 <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:

	2012/13 £000	2013/14 £000
Aberdeen City Council	3	4
Aberdeenshire Council	304	318
Moray Council	51	52

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

Aberdeen City Council	78	123
Aberdeenshire Council	153	158
Moray Council	32	50

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 2013/14 was £0.114m (£0.114m in 2012/13).

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

	2012/13 £000	2013/14 £000
Not later than one year	114	114
Later than one year and not later than five years	339	226
	<hr/> 453	<hr/> 340

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

	2012/13 £000	2013/14 £000
	Rating, Council Tax Valuation and Electoral Registration	Rating, Council Tax Valuation and Electoral Registration
Sales and Other Income	(35)	(18)
Interest on Revenue Balances	(1)	(2)
Other grants, reimbursements and contributions		(196)
Total Income	(36)	(216)
Employee Costs	2,861	2,845
Property Costs	297	308
Transport Costs	70	73
Supplies and Services	415	551
Support Services	52	54
Total operating expenses	3,695	3,831
Net Expenditure	3,659	3,615

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.

	2012/13 £000	2013/14 £000
Net Expenditure reported to the Board	3,659	3,615
<u>Add</u> Amounts in the Comprehensive Income and Expenditure not included in reports to the Board	22	127
<u>Add</u> Amounts reported to Management but not reported in Net Cost of Services	1	2
Net Cost of Services in Comprehensive Income and Expenditure Statement	<hr/> 3,682	<hr/> 3,744

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 2012/13

Restated

	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	-	(8)	-	(8)	-	(8)
IAS 19 Holiday Pay Accrual	-	(2)	-	(2)	-	(2)
Pension Interest Cost and Expected Return on Pension Assets	-	-	-	-	241	241
Total Expenditure	3,695	42	-	3,737	241	3,978
Net Cost of Services	3,659	42	1	3,702	(3,417)	285
<u>(Surplus) or Deficit on the Provision of Services</u>						285

NOTES TO THE ACCOUNTS (continued)

Note 21 Amounts Reported for Resource Allocation Decisions (continued)

Reconciliation to Subjective Analysis

Subjective Analysis 2013/14

	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	(18)	-	-	(18)	-	(18)
Interest and investment income	(2)	-	2	-	(2)	(2)
Government grants and contributions	(196)	-	-	(196)	(3,618)	(3,814)
Total Income	(216)	-	2	(214)	(3,620)	(3,834)
Employee Costs	2,845	-	-	2,845	-	2,845
Property Costs	308	-	-	308	-	308
Transport Costs	73	-	-	73	-	73
Supplies and Services	551	-	-	551	-	551
Support Services	54	-	-	54	-	54
Depreciation, Amortisation and Impairment	-	18	-	18	-	18
IAS 19 Net Charges for Retirement Benefits	-	94	-	94	-	94
IAS 19 Holiday Pay Accrual	-	15	-	15	-	15
Pension Interest Cost and Expected Return on Pension Assets	-	-	-	-	248	248
Total Expenditure	3,831	127	-	3,958	248	4,206
Net Cost of Services	3,615	127	2	3,744	3,372	372
<u>(Surplus) or Deficit on the Provision of Services</u>						372

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 Scotland Pension Fund, a 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.

The North East Scotland Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Panel. The Panel is comprised of elected members of Aberdeen City Council. Policy is determined in accordance with the Pensions Fund Regulations. There is a Joint Investment Advisory Committee (JIAC) with responsibility for monitoring the investment management of the Pension Fund and making recommendations to the Pensions panel on appointments, retention and termination of investment management contracts. The JIAC consists of 14 members, 4 elected members from Aberdeen City Council (members of the Pensions Panel), 4 elected members from Aberdeenshire Council, 2 elected members from Moray Council, 1 member representing the Colleges and Admitted Bodies, 1 member representing Scottish Water and 2 Trade Union representatives.

The principal risks to the scheme are the longevity assumptions, statutory changes to the scheme, changes to inflation, bond yields and the performance of the investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amounts required by statute as described in the accounting policy note.

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:

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	2012/13 Restated £000	2013/14 £000
Cost of Services:		
Current Service Cost	452	533
Financing and Investment Income and Expenditure:		
Net Interest Expense	241	248
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	693	781
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.		
Remeasurement of the Net Defined Benefit Liability comprising:		
Expected return on pension fund assets	(2,161)	(1,296)
Actuarial (gain)/loss on financial assumptions	2,704	(968)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement.	1,236	(1,483)
 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	(792)	1,922
Actual amount charged against requisitions for pensions in the year	444	439

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (Continued)

Pensions Assets and Liabilities Recognised in the Balance Sheet

The change in the net pensions liability is analysed into the following 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.

Net Interest on the Net Defined Benefit Liability: The change during the year in the net defined benefit liability that arises from the passage of time – charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. It is the difference between the interest (increase) in the value of the liabilities as the benefits are one year closer to being paid and the interest on pension assets based on assets held at the start of the year. The calculation is based on the discount rate in force at the beginning of the year.

Remeasurements: This comprises the Return on Plan Assets (excluding amounts included in the Net Interest on the Net Defined Benefit Liability) and Actuarial Gains and Losses which are 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 – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.

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.

The amount included in the Balance Sheet arising from the Board's obligation in respect of its defined benefit plan is as follows:

	31 March 2013	31 March 2014
	£000	£000
Present value of the defined benefit obligation	(27,276)	(27,488)
Fair value of plan assets	<u>21,347</u>	<u>23,481</u>
Net liability arising from defined benefit obligation	(5,929)	(4,007)

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

The reconciliation of the Board's share of the present value of the North East Scotland Pension Fund's defined benefit liability is as follows:

	31 March 2013	31 March 2014
	£000	£000
1 April	(23,454)	(27,276)
Current Service Cost	(443)	(533)
Interest on pension liabilities	(1,138)	(1,135)
Remeasurements:		
Gain/(Loss) on financial assumptions	(2,704)	968
Contributions by scheme participants	(152)	(150)
Benefits Paid	615	638
31 March	(27,276)	(27,488)

The reconciliation of the movements in the Board's share of the fair value of the North East Pension Fund's assets is as follows:

	31 March 2013	31 March 2014
	£000	£000
1 April	18,317	21,347
Interest on plan assets	897	896
Remeasurements (assets)	2,161	1,296
Administration expenses	(9)	(9)
Employer Contributions	444	439
Contributions by scheme participants	152	150
Benefits Paid	(615)	(638)
31 March	21,347	23,481

The Board's share of the Pension Fund's assets is:

	Quoted Prices in Active Markets	Prices not Quoted in Active Markets	31 March 2013 Totals
	£000	£000	£000
U.K. Equities	8,552	36	8,588
Overseas Equities	8,391	9	8,400
U.K Government Bonds	401	-	401
Other Government Bonds	1,027	-	1,027
Other U.K. Bonds	258	-	258
Other non U.K. Bonds	363	-	363
Property	-	1,228	1,228
Private Equity	-	740	740
Global Infrastructure	-	13	13
Cash Instruments	-	329	329
Total Assets	18,992	2,355	21,347

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

	31 March 2014		
	Quoted Prices in Active Markets £000	Prices not Quoted in Active Markets £000	Totals £000
U.K. Equities	9,152	33	9,185
Overseas Equities	9,477	5	9,482
U.K Government Bonds	479	-	479
Other Government Bonds	986	-	986
Other U.K. Bonds	131	-	131
Other non U.K. Bonds	385	-	385
Property	-	1,398	1,398
Private Equity	-	846	846
Global Infrastructure	-	16	16
Cash Instruments	-	573	573
Total Assets	20,610	2,871	23,481

Basis for Estimating Assets and Liabilities

The most recent valuation was carried out as at 31 March 2011 and has been updated by Mercer Limited, independent actuaries to the North East Scotland Pension Fund, in order to assess the liabilities of the Fund as at 31 March 2014. 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.

The principal assumptions used by the actuary have been:

	31 March 2013	31 March 2014
Financial assumptions:		
Discount rate	4.2%	4.4%
Rate of increase in salaries	4.15%	4.15%
Rate of increase in pensions	2.4%	2.4%
Rate of CPI inflation	2.4%	2.4%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.4	22.5
Women	25.4	25.5
Longevity at 65 for future pensioners:		
Men	24.7	24.8
Women	27.8	27.9
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

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

Basis for Estimating Assets and Liabilities (continued)

Assumptions for the expected rate of return on assets in the Fund have been:

	31 March 2013	31 March 2014
Equities	7.0%	7.0%
Government Bonds	2.8%	3.4%
Other Bonds	3.9%	4.3%
Property	5.7%	6.2%
Cash / current assets	0.5%	0.5%
Other	7.0%	Dependent on type of asset

Asset and Liability Matching (ALM) Strategy

The Pension's Panel long-term funding objective is to achieve and maintain assets equal to 100% of projected accrued liabilities, assessed on an ongoing basis. The current actuarial valuation of the Fund is effective as at 31 March 2011 and the results indicate that overall the assets represented 88% of projected accrued liabilities at the valuation date. Investments that would most closely match the pension liabilities would be gilts, predominantly index-linked, reflecting the nature of the Fund's liabilities. However, the Fund invests in other assets, in the expectation that these will provide higher returns albeit without any guarantee that higher returns will be achieved over any particular period. The benefit of higher investment return is that, over the long term, a higher level of funding should achieve lower employer contribution rates. However the additional investment returns from growth assets come with a price: greater volatility relative to the liabilities thus introducing risk. There is a trade-off between the benefits of additional investment return from greater exposure to growth assets and the greater predictability from having greater exposure to liability matching assets. The Pensions Panel and the Joint Investment Advisory Committee have considered this trade-off and defined a strategic benchmark to achieve the long term investment returns required to achieve the Fund objective: equities 70% (range +/- 5%), property 10% (range +/- 2%), bonds 8% (range +/- 2%) alternative assets (including private equity). 12%. There is no strategic allocation to cash. The asset proportions of the Fund at 31 March 2014, with March 2013 in brackets were: equities, including alternatives 83.2% (83.1%), bonds 8.4% (9.6%), property 6.0% (5.8%) and cash 2.4% (1.5%).

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

Impact on the Board's Cash Flows

The Fund aims to keep employers' contribution at as constant a rate as possible. The Pensions Panel has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over an average deficit recovery period of 16 years, with a maximum recovery period of 22 years. Funding levels are monitored on an annual basis. The next triennial valuation is as at 31 March 2014 and will be completed during 2014/15.

The Fund will need to take account of the national changes to the Local Government Pension Scheme in Scotland such as the move from 1 April 2015 to a new career average revalued earnings scheme (CARE) for future accruals.

The total contribution that the Board expects to pay to North East Scotland Pension Fund in the year to 31 March 2015 is £0.439 million.

The weighted average duration of the defined benefit obligation for scheme members at the 31 March 2011 valuation is 15 years.

Change in Accounting Policy IAS19R

On 1 April 2013, the Board implemented a change in accounting policy relating to the June 2011 amendments to the accounting standard IAS19 Employee Benefits. The key change relates to the expected return on assets. In order to permit a meaningful comparison between financial years, some figures in the previous year's audited financial statements have been amended.

There has been a redistribution of costs within the Comprehensive Income and Expenditure Statement. The pensions interest cost within the Surplus or Deficit on the Provision of Services has increased with a corresponding reduction in the Remeasurement of the Net Defined Benefit Liability, (actuarial (gains) or losses on pension assets and liabilities) in Other Comprehensive Income and Expenditure. Essentially, the expected return on scheme assets that was credited to the Surplus or Deficit on the Provision of Services has been replaced with an equivalent figure using the discount rate.

The effects of the restatement on the financial statements are as follows. Only those lines that have changed are shown.

NOTES TO THE ACCOUNTS (continued)

Note 22 Defined Benefit Pension Scheme (continued)

Change in Accounting Policy IAS19R (continued)

Effect on Comprehensive Income and Expenditure Statement

	As Previously Stated 2012/13 £000	As Restated 2012/13 £000	Amendment 2012/13 £000
Rating and Council Tax Valuation and Electoral Registration	3,722	3,702	20
Cost of Services	3,737	3,717	20
Financing and Investment Income and Expenditure	33	241	208
(Surplus)/Deficit on Provision of Services	57	285	228
Remeasurement of Net Defined Benefit Liability	543	771	(228)
Other Comprehensive Income and Expenditure	543	771	(228)

Movement in Reserves Statement – Usable Reserves

	As Previously Stated 2012/13 £000	As Restated 2012/13 £000	Amendment 2012/13 £000
General Fund Balance			
(Surplus)/Deficit on Provision of Services	(285)	(57)	(228)
Total Comprehensive Income and Expenditure	(285)	(57)	(228)
Adjustments between accounting basis and funding basis under regulations	283	55	228

Movement in Reserves Statement – Unusable Reserves

	As Previously Stated 2012/13 £000	As Restated 2012/13 £000	Amendment 2012/13 £000
General Fund Balance			
Other Comprehensive Income and Expenditure	(543)	(771)	228
Total Comprehensive Income and Expenditure	(543)	(771)	228
Adjustments between accounting basis and funding basis under regulations	(283)	(55)	(228)



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JUNE 2014

SUBJECT: REVENUE BUDGET MONITORING STATEMENT FOR THE PERIOD 1 APRIL TO 31 MAY 2014

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

1.1 To consider the Revenue Budget Monitoring Statement for the period 1 April to 31 May 2014.

2 RECOMMENDATION

2.1 It is recommended that the Board:

- (i) Scrutinises and notes the Revenue Monitoring Statement to 31 May 2014; and**
- (ii) Notes the work pressures experienced by the Assessor and his Senior Management Team and delegates to him the setting of the budget for Individual Electoral Registration (IER) 2014/15, within the additional funding being made available by the Cabinet Office for that purpose, which will be reported back to the October meeting of the Board.**

3. CURRENT POSITION

3.1 At its meeting on 24 January 2014, the Board agreed the Revenue Budget for 2014/15 and approved that the requisitions to constituent authorities should be set at £3,964,000.

3.2 The **APPENDIX** shows the monitoring position to 31 May 2014 against the budget agreed in January. It gives details of the 2014/15 Revenue Budget, the Actual to date and the Variance to date.

3.3 Total net expenditure is £671,000 which results in a minor underspend against budget to date of £3,000.

3.4 The underspend in employee costs is in respect of vacancies in the service.

- 3.5 The overspend in postages is because of the cost of polling cards. These costs will be recovered from the constituent authorities. Postages would otherwise be showing an underspend at this stage of £20,000.
- 3.6 There are no other significant variances to report at this early stage in the year.
- 3.7 The proposed detailed budget for the introduction of Individual Electoral Registration (IER) was to be submitted to this Board Meeting for consideration. Unfortunately, however, the Assessor and his Senior Management Team have been fully engaged on the work connected with IER, Young Voter Registration and the additional work necessitated by the recent elections.
- 3.8 In these particular circumstances, the Board is asked to delegate the setting of the IER budget to the Assessor, within the Cabinet Office limits, which will be reported back to the October meeting of the Board.

4. CONCLUSION

- 4.1 The total net expenditure as at 31 May 2014 is £671,000 giving an underspend against budget to date of £3,000.
- 4.2 A detailed budget for the introduction of IER 2014/15 will be reported to the next Board meeting in October 2014.
- 4.3 The Assessor and his Senior Management Team closely monitor and control budgets in order to keep within agreed levels and generate savings wherever possible throughout the year.
- 4.4 A detailed estimated outturn statement will be reported at the next Board meeting.

Author of Report: Deborah Brands, Principal Accountant
Background papers: Held within Accountancy Section, Moray Council
Date: 17 June 2014

Signature:

Designation: Treasurer

Name: Margaret Wilson

Date: 17 June 2014

GRAMPIAN VALUATION JOINT BOARD

REVENUE MONITORING STATEMENT FOR PERIOD 1 APRIL TO 31 MAY 2014

Line No.	2014-15 Total Budget	2014-15 Budget to Date	Actual 31 May 2014	Variance 31 May 2014
	£'000	£'000	£'000	£'000
<u>Employee Costs</u>				
1 Salaries	2,341	390	359	31
2 National Insurance	189	32	28	4
3 Superannuation	446	74	69	5
4 Additional Pensions	21	4	4	-
5 Other Employee Costs	2	-	-	-
6 Electoral Registration	40	7	-	7
7 Training	14	2	2	-
Total Employee Costs	3,053	509	462	47
<u>Property Costs</u>				
8 Accommodation Charges	322	80	74	6
9 Repairs and Maintenance	5	1	-	1
10 Energy Costs	7	1	1	-
11 Cleaning	3	-	-	-
Total Property Costs	337	82	75	7
<u>Transport Costs</u>				
12 Staff Travel and Subsistence	73	12	12	-
Total Transport Costs	73	12	12	-
<u>Supplies & Services</u>				
13 Equipment, Furniture & Materials	16	3	3	-
14 Protective Clothing	1	-	-	-
15 Text & Reference Books	8	1	1	-
16 Printing & Stationery	22	4	5	(1)
17 Postages	165	27	84	(57)
18 Telephones	5	1	-	1
19 Advertising	5	1	-	1
20 IT Maintenance & Support	129	22	29	(7)
21 Expenses	27	-	-	-
22 Valuation Appeals	56	9	-	9
23 Fees, Charges & Subs	5	1	-	1
24 Specialist Services	17	3	-	3
25 Other Supplies & Services	2	-	-	-
Total Supplies & Services	458	72	122	(50)
<u>Support Services</u>				
26 Lead Authority Charge	53	-	-	-
Total Support Services	53	-	-	-
Gross Expenditure	3,974	675	671	4
<u>Income</u>				
27 Sales and Other Income	(8)	(1)	-	(1)
Grants & Recharges relating to Individual Electoral Registration and				
28 Young Voter registration	-	-	-	-
29 Interest on Revenue balances	(2)	-	-	-
Total Income	(10)	(1)	-	(1)
30 Net Expenditure	3,964	674	671	3
31 Requisitions	(3,964)	(664)	(664)	-
32 (Surplus)/Deficit for Year	-	10	7	3



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 27 JUNE 2014

SUBJECT: INTERNAL AUDIT ANNUAL REPORT - 2013/14

BY: THE TREASURER

1. REASON FOR REPORT

- 1.1 This report advises the Board of the internal audit work completed on the Assessor's Service for the financial year ended 31st March 2014, and provides an opinion on the adequacy of the control systems reviewed.

2. RECOMMENDATION

- 2.1 **That the Board considers this report for 2013/14 and notes the satisfactory audit opinion derived from audit work completed.**

3. BACKGROUND

- 3.1 In terms of the Public Sector Internal Audit Standards applicable to Local Government, it is good practice to develop an internal audit plan for each financial year. The plan is agreed with senior management and is presented to the Board to enable it to consider and comment on the proposed audit coverage. The planned work for 2013/14 as reported to the meeting of the Board in January has been completed and informs the internal audit opinion.
- 3.2 It should be stressed that the main financial systems of the Assessor's Service replicate those of the Moray Council, hence audit assurances provided in terms of the controls within the Council systems can be relied upon as being applicable to financial systems relating to the Service. This influences the level of audit testing required to provide the necessary assurances.
- 3.3 Although there are minimal changes in the financial systems and procedures adopted by the Assessor's Service from year to year, internal audit work is required annually to provide the Treasurer with an opinion on the adequacy and effectiveness of the internal control systems and procedures. This opinion supports the Statement on the System of Internal Financial Control which the Treasurer certifies and includes within the Board's annual accounts.

3.4 The audit work in relation to the Service's activities for 2013/14 is outlined in the Executive Summary attached as **Appendix 1**.

4. CONSULTATIONS

4.1 The Assessor, his Principal Administrative Officer and Moray Council finance officers have been consulted during the audit review process.

5. CONCLUSION

5.1 The Internal Audit Manager is of the opinion, based on audit work completed, that reasonable assurance can be placed on the adequacy of and effectiveness of the system of internal financial control established within the Assessor's Service.

Author of Report: Atholl Scott, Internal Audit Manager
Background Papers: Internal Audit working paper file
Ref: AS/gvjb/270614/239-230

Signature: Date: 18th June 2014

Designation: Treasurer Name: Margaret Wilson

AUDIT REPORT 15'005

GRAMPIAN VALUATION JOINT BOARD

EXECUTIVE SUMMARY

The Moray Council is the accounting authority for the Grampian Valuation Joint Board and its Internal Audit section has a responsibility for undertaking audit work on an annual basis. This work enables an opinion to be given on the adequacy and effectiveness of the internal control environment in support of the assurance statement prepared by the Treasurer for inclusion into the Board's annual accounts. The control environment is a term that encompasses all of the arrangements put in place and applied by management in order that the Assessor's Service can:

- Provide assurance that risks facing the service are monitored;
- Comply with all relevant laws and regulations;
- Prepare information that is accurate, reliable and up-to-date;
- Secure Best Value in the delivery of its services;
- Adequately safeguard the assets for which it is responsible.

In planning the audit for 2013/14, it was recognised that systems of control are long established, that they mirror those of the council, and that the profile of financial resources available to the Assessor is broadly similar from year to year. A particular focus was on confirming that systems were operating as intended by carrying out substantive testing on samples of pay and non payroll expenditure, noting variations attributable to anticipated factors including budget pressures generally on constituent authorities and additional costs offset by funding from central government to support planned changes in electoral registration.

There have been no changes in the Assessor's management team during the year and the team continues to regularly monitor the risks facing the service and to consider and implement measures to mitigate these risks. The latest risk register dated April 2014 was reviewed during the audit. A residual issue from the prior year audit related to a 'low risk' recommendation for the Board's financial regulations to be reviewed and updated, to ensure they remain current and 'fit for purpose'. The Treasurer has agreed to conduct this review in conjunction with the Assessor during 2014/15. There are no further issues to report arising from the audit work completed.



REPORT TO: Grampian Valuation Joint Board on 27 June 2014

SUBJECT: Valuation Roll & Council Tax Valuation List

BY: The Assessor & ERO

1. Reason for Report

1.1 To advise the Board of performance levels achieved during 2013/14.

2. Recommendation

2.1 **It is recommended that the Board note the performance information.**

3. Background

3.1 The Board's Code of Corporate Governance sets out a framework of performance measurement and evaluation. This framework identifies a number of quantitative service related performance indicators. The code requires publication of an annual performance report that provides information on both financial and service delivery performance. The 2013/14 public performance report will be presented to the Board in October following the finalised audit of the 2013/14 accounts.

3.2 The performance thresholds have been set for the performance indicators that have been agreed between the Scottish Government and the Scottish Assessors Association. The Board reviewed the valuation roll performance thresholds in 2013 and the council tax valuation list performance thresholds in 2012.

4. Current Position

4.1 Valuation Roll

4.1.1 Appendix 1 provides performance for 2013/14 and the previous two years. The performance threshold of 77% of amendments to the valuation roll being implemented within three months was set in last year and has proved to be difficult to achieve. 2013/14 was the final year for revaluation 2010 appeal disposal by local valuation appeal committees with this activity concentrated in the period prior to 31 December, accordingly the impact of directing resources to deal with the most challenging appeals in the summer and autumn has been a slight fall in performance when compared to the previous year.

4.1.2 Appendix 1 provides information on 2005 revaluation appeal resolution. Only 6 subjects remain with unresolved appeals. These are referred to the Lands Tribunal for Scotland that will set a hearing schedule as required.

4.1.3 The 2010 revaluation appeal resolution information is also provided in Appendix 1. Progress in terms of 2010 revaluation appeal resolution has been exceptionally good. Following the widely reported economic downturn, Assessors received a record number of appeals and anticipated some significant challenges to their values. These have been largely met with the values successfully defended. Only 57 appeals have been referred to the Lands Tribunal for Scotland. Discussions between the Tribunal, appellants and Assessors are currently in hand at a national level in order to ensure that appeals referred to the Tribunal are dealt with as expeditiously as possible.

4.1.4 Appendix 1 does not provide detail on running roll appeals, but the service resolved 2,775 running roll appeals last year. The loss of value on appeal in relation to new and altered running roll entries can be used as an indicator for accuracy of assessments. During 2013/14 426 properties, with a total rateable value of £66.67M had appeals resolved, with the resulting revised rateable value totalling £64.49M, representing an overall loss of 3.3%. The corresponding loss during 2012/13 is 3.6%.

4.2 Council Tax Valuation List

4.2.1 Appendix 2 to this report provides the position for the year to 31 March 2014. The increase in house building is reflected in the number of new entries added to the valuation list with 2,757 new dwellings being completed during the year compared to 2,455 two years previous. The proportion of dwellings being added to the list within the 3-month performance timeframe is 95.4% against a performance threshold of 92%.

4.2.2 Accuracy can be measured by establishing the number of successful challenges to bandings. During 2013/14 there were 23 successful proposals, out of a total of 2,951 new or altered bandings. This represents 0.8% of the total. The corresponding percentage for 2012/13 was 0.4%.

5. **Conclusion**

5.1 The service is managing to largely maintain performance in terms of updating the valuation roll and council tax valuation list. It has not been possible to continue with the previous pattern of year on year improvement in performance against published indicators due to a number of factors, these include increased demands on resources to defend complex appeals, the increase in housing completions and personnel issues that are being addressed through recruitment. The 2013 decision to increase the valuation roll performance threshold from 70% to 77% for new and altered entries to be implemented in the roll within three months was possibly ambitious but nevertheless provides an objective for the service to strive to achieve.

Author of Report: Ian H Milton

Signature: _____

Date: 23 June 2014

Designation: Assessor & ERO

Name: Ian H Milton

Valuation Roll Performance Indicators as at 31 March 2014

	Time Period	2013/2014	2012/2013	2011/2012
Amendments within Time Periods	0 - 3 Months	1,562	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.	%	74.5%	75.2%	68.8%
	<i>Threshold %</i>	77.0%	70.0%	70.0%
	3 - 6 Months	285	322	330
	%	13.6%	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	249	244	278
	%	11.9%	10.7%	14.3%
	<i>Threshold %</i>	10.0%	15.0%	15.0%
Number of Amendments		2,096	2,284	1,946
Total Number of Entries	At 1 April	24,667	24,300	24,235
Total Rateable Value	At 1 April	£753.28M	£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*	2.13%	2.16%	2.16%
Revaluation 2010 Appealed assessments	Resolved in year	869	1,993	4,024
	Total resolved	7,097	6,228	4,135
	Total outstanding	57	926	3,018
	Loss**	2.60%	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 2014

	Time Period	2013/2014	2012/2013	2011/2013
New Entries within Time Periods	0 - 3 Months	2,629	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.	%	95.4%	96.7%	95.4%
	<i>Threshold %</i>	92.0%	92.0%	90.0%
	3 - 6 Months	92	58	65
	%	3.3%	2.2%	2.6%
	<i>Threshold %</i>	5.0%	5.0%	7.0%
	Over 6 Months	36	28	48
	%	1.3%	1.1%	2.0%
	<i>Threshold %</i>	3.0%	3.0%	3.0%
Number of New Entries Added		2,757	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
Number of proposals accepted		23	11	19



REPORT TO: Grampian Valuation Joint Board on 27 June 2014

SUBJECT: Register of Electors

BY: The Assessor & ERO

1. Reason for Report

- 1.1 To submit electoral registration performance details following publication of the revised registers on 10 March 2014.
- 1.2 To update the Board on activities and developments in the electoral registration service and the transition to individual electoral registration (IER).

2. Recommendation

- 2.1 **To note the electoral registration performance details and current activities and developments in the electoral registration service**

3.0 Canvass performance details

- 3.1 The 2013 annual canvass was postponed by government with revised registers published on 10 March 2014 rather than the customary 1 December. The appendix to this report provides the statistical data requested by the Electoral Commission for each council area for the canvass prior to publication of the revised registers on 10 March 2014 and for comparison purposes, the equivalent data returned to the Commission after the 2012 canvass is also provided. The performance data shows a significant increase in household returns, from 92.2% across Grampian in 2012 to 95.4% in the most recent canvass.
- 3.2 The growth in the number of households willing to make a canvass return using telephone, text or online automated response services has continued with 88,461 households making use of these services. The willingness of households to interact through automated response services bodes well for individual electoral registration which will offer a fully online registration service from 19 September 2014.
- 3.3 Where a canvass return is not made and the ERO cannot verify residency from other sources of information, electors may be retained on the register for one year only. If an elector fails to make a return and residency cannot be verified by other means in the second year, they may be removed from the register. The number of electors that were carried forward under this provision was 4,184, and 1,336 names were removed from the register following two nil canvass returns. The corresponding figures for last year were 5,244 and 1,556.

- 3.4 The number of electors who opt out of the edited registers that are available for sale to external organisations has increased from 150,766 on 1 December 2012 to 179,326 as at 10 March 2014. This information is not included in the returns to the Electoral Commission but is noteworthy.
- 3.5 The Electoral Commission published its report on Electoral Registration Officer performance on 6 June and confirmed that the service meets or exceeds the 10 performance standards set out by the Commission.
- 3.6 The canvass also included a young voter registration form to ensure that young people who would not necessarily qualify to register as attainers would nevertheless be able to register and thus participate in the Scottish Independence Referendum (SIR) on 18 September. This element of the canvass was not subject to the Electoral Commission reporting regime. The number of Grampian under 18s registered to vote in the SIR as at 10 March was 11,113, this total included 4,190 young voters who are on the confidential register of young voters. As at 1 June 11,584 young voters who will be under 18 on 18 September were registered to vote, 867 of these young voters had arranged to vote by post.

4.0 Activities and developments

- 4.1 At the conclusion of the canvass in March forms were sent to 19,000 EU citizens inviting them to nominate where they would cast their vote in the forthcoming European Parliamentary election. The response was poor and a re-designed form and explanatory letter was issued as a pilot to 14,518 citizens. This generated a disappointing 2,994 responses.
- 4.2 The European Parliamentary Elections of 22 May featured additional statutory updates to the register that over-complicated the pre-election processing timetable for electoral registration officers and returning officers. The statutory provisions have however also brought benefits to the elector by introducing a formal reporting procedure that means that electors who vote by post are formally notified when their postal vote has not been counted due to problems with the signature or date of birth that they are required to give when completing the postal voting statement. In Grampian, 1,335 postal votes were rejected due to missing or unmatched signatures/dates of birth and formal notices were issued on 11 June with a reply paid form for electors to refresh their signature or correct their date of birth.
- 4.3 The SIR is creating significant demands on the service. On 2 June letters were issued to all registered under 18s who will be under 18 on 18 September. These letters confirmed the registration details and advised on absent voting provisions that they may need to consider if they are likely to be travelling, or leaving home as they move into tertiary education, training or employment.
- 4.4 Work is currently underway to update the register to reflect changes in residence for school pupils and university & college students in partnership with education authorities, private schools and student accommodation providers. Details of all young people who are in care and would qualify to vote have been supplied by the relevant authorities and work is in hand to ensure that those youngsters in the care system are assisted towards registration. A care-home mini-canvass is planned for July to ensure that the less able and/or elderly are able to participate.

- 4.5 The transition to IER is presenting significant challenges to the service. The required development of the organisation's IT infrastructure is placing a heavy overhead on existing IT professionals and full use of Cabinet Office funding is being made to assist in terms of external specialists. The IT connectivity issues that need to be overcome to link on a daily basis the formerly internal registration system operated in Grampian with the Government Digital Service have been particularly challenging and the Cabinet Office has agreed a two year funding arrangement to meet infrastructure development costs. In addition on 31 March the Cabinet Office advised that a grant towards transition costs of £261,000 would be awarded to Grampian for 2014/15, this was formalised at a figure of £275,674 on 10 June, the increase in allocation reflected additional hardware requirements.
- 4.6 Transition to IER commences on 19 September and requires a fresh approach to canvass with interaction by mail with every elector – in round terms this means corresponding with 450,000 citizens rather than 270,000 households this autumn. Suzanne Wright, Procurement Officer of The Moray Council Corporate Service Team is assisting in the procurement process to secure appropriate printing and dispatch services that meet with the Board's financial regulations and EU tendering requirements.
- 4.7 Recruitment is underway to seek to meet the anticipated demand.

5.0 Conclusion

- 5.1 The period from September 2013 through to February 2015 and beyond to the UK Parliamentary general election (UKPGE) presents an unprecedented and challenging series of demands on the service. To date, the demands of a signature refresh for 40,000 electors, a canvass of 445,000 electors including young voters, pilot work with 14,000 EU citizens, the European Parliamentary elections with the corresponding postal vote rejection notices, the SIR on 18 September and transition to IER commencing on 19 September with revised registers published on 27 February 2015 ahead of the 2015 UKPGE means that personnel are subject to a daunting work programme, that involves overtime working and additional hours for part-time personnel. I am however pleased to report that to date due to the dedication and professionalism of the personnel involved the service has met every challenge to date.

Author of Report: Ian H Milton

Signature: _____ Date: 17 June 2014

Designation: Assessor & ERO Name: Ian H Milton

Electoral Registration Indicators as at 10 March 2014

APPENDIX

Section 1 - Registration totals - unit of data: individual elector record

	Aberdeen	Aberdeenshire	Moray	Grampian	Grampian at 1.12.2012
1a No. of electors on the local government register at 3 December 2013	170,614	196,369	70,612	437,595	430,927
1b No. of electors on the local government register at 10 March 2014	172,612	200,780	72,149	445,541	416,550
1c No. of electors on the UK Parliamentary register at 10 March 2014	160,897	196,225	70,807	427,929	

Section 2 - Annual canvass - unit of data: household/unique property

2a No. of households sent an annual canvass form	111,916	113,512	43,735	269,163	267,040
2b Total annual canvass return	104,521	110,339	42,041	256,901	246,177
% annual canvass return	93.4%	97.2%	96.1%	95.4%	92.2%
2c No. of households returning a canvass form by post	50,131	60,195	24,037	134,363	135,880
2d No. of households returning a canvass form by personal canvasser	7,347	1,373	969	9,689	5,489
2e No. of notifications of nil change to elector details received by telephone	9,297	11,380	4,236	24,913	29,988
2f No. of notifications of nil change to elector details received by internet registration systems	16,064	17,388	5,426	38,878	30,543
2g No. of notifications of nil change to elector details received by SMS/text message	9,696	11,227	3,747	24,670	21,561
2h No. of households confirmed vacant either through canvasser or secondary checks	1,322	2,296	784	4,402	4,561
2i No. of households that the ERO has not received a response from but has sufficient information to retain entries for that household	10,644	6,480	2,842	19,966	18,155
2j No. of households that the ERO has not received a response from and has not been able to confirm through secondary checks	7,395	3,173	1,694	12,262	20,863

Section 3 - Non-response: carry forward and secondary checks - unit of data: individual elector record

3a No. of elector records carried forward from December 2013 register, following first year of non-response to canvass	1,978	1,401	805	4,184	5,244
% of elector records carried forward on the December 2013 register	1.1%	0.7%	1.1%	0.9%	1.2%
3b No. of elector records deleted from December 2013 register, following second year of non-response to canvass	646	415	275	1,336	1,556
3c No. of elector records retained from December 2013 register, following completion of secondary checks	15,627	11,198	4,937	31,762	29,918

Section 4 - Changes to the electoral register - unit of data: individual elector record

4a No. of electors added to the revised register following the annual canvass as a result of an annual canvass form	24,125	14,948	5,712	44,785	42,177
% of electors on the March 2014 register who were added as a result of the annual canvass	14.0%	7.4%	7.9%	10.1%	9.8%
4b No. of electors added to the March 2014 register as a result of a rolling registration form received from 9.11.2013	N/A	N/A	N/A	N/A	N/A
4c No. of electors deleted from the December 2013 register following the canvass	25,687	16,775	6,613	49,075	39,225
4d No. of electors added to the register during the period 3 December 2012 – 3 December 2013	10,862	15,632	4,541	31,035	13,432
% of electors on the September 2012 register who were added during the rolling registration period	6.4%	8.0%	6.4%	7.1%	3.1%
No. of electors deleted from the register during the period 3 December 2012 – 3 December 2013	7,760	12,856	3,321	23,937	13,626



REPORT TO: Grampian Valuation Joint Board on 27 June 2014

SUBJECT: Risk Management

BY: The Assessor & ERO

1. Reason for Report

1.1 To advise the Board on the current risk management position.

2. Recommendation

2.1 The Board note the current version of the risk register and the plans for future reviews.

3. Background

3.1 The Board's Code of Corporate Governance requires the identification and prioritisation of risks to the Service's aims and objectives; the evaluation of the risks being realised and the resultant impact and finally the management of risks.

3.2 On 7 July 2006 the Board determined that the Risk Register should be subject to ongoing review with reports submitted annually.

3.3 Apart from ongoing reviews by individual risk owners, the Management Team, that meets on a quarterly basis, has risk management as a standing item on its agenda.

4.0 Current Position

4.1 The strategic risk register that is provided as an appendix to this report was reviewed by the Management Team when it met on 29 April.

4.2 Summary

4.2.1 A summary of the risk status is provided in the table below.

Risk Rating	June 2010	June 2011	June 2012	June 2013	June 2014
High	3	2	2	3	2
Moderate	2	3	4	3	4
Low	1	1	1	1	2
Tolerable	12	13	13	14	14
Obsolete	8	8	8	8	8
Total number of live risks	18	19	20	21	22

4.2.2 The total of 8 obsolete risks remains unchanged from the position reported to the Board in June 2013. The Management Team has identified one new risk with the potential to affect service delivery. Described as “Industrial action by employees”, the new risk is shown at 6i on the appendix. The total number of live risks has therefore increased to 22. However, 14 of the live risks have sufficient controls to render them ‘tolerable’ in terms of the risk management strategy.

4.3 “High” level risks

4.3.1 The number of risks rated as ‘high’ and, as such, programmed for ‘corrective action’ in terms of the risk register protocol, has decreased from 3 to 2. This change is a result of the controls for Risk 5i, which was added last year due to the introduction of individual electoral registration, being amended from ‘poor’ to ‘OK’, thereby reducing the revised risk rating from ‘high’ to ‘moderate’. Although the high degree of external influences remains a significant issue, the Management Team have now put a detailed risks and issues register in place, which together with the very close liaison and planning with the Cabinet Office and other stakeholders has prompted the improved assessment of the quality and effectiveness of the controls.

4.3.2 Risks 5e and 5f relate to a change in the taxation ethos and a potential reduction in funding. As such, both risks are essentially outwith the direct control of the Assessor & ERO, and whilst the Board may requisition at the required level, there is clearly a need to ensure that efficiency remains at the top of the service delivery agenda.

4.4 “Moderate” level risks

4.4.1 The number of risks with a ‘moderate’ overall rating has increased from 3 to 4 as a result of the change to Risk 5i described above.

4.4.2 Risk 5h is rated as ‘moderate’ and is concerned with the implementation of a business continuity plan. Whilst resilience testing was completed in the spring of last year, the management team has adopted a cautious assessment and maintained the view that the overall rating should be retained as ‘moderate’.

4.4.3 Risks 6a and 6c both relate to staffing and are also rated as ‘moderate’. Risk 6a relates to recruitment and training and a career grade scheme for clerical officers, approved by the Board last year, is now in place following a staff consultation. The administrative staff have also undertaken a skills audit and training requirements identified by the audit are being addressed. The ratings for Risk 6c were reassessed during the past year. The likelihood rating was decreased and the impact rating was increased. However with controls remaining ‘OK’ the net effect is no change to the ‘moderate’ overall risk rating.

4.5 “Low” level risks

4.5.1 The number of risks with a ‘low’ overall rating has increased from 1 to 2 as a result of new Risk 6i described above. This is clearly not a “new” risk but is now properly accounted for with an entry in the risk register. Controls are considered to be ‘OK’ as a result of close liaison with the unions locally as well as through COSLA led national negotiations.

4.5.2 Risk 2b is concerned with data integrity and is also rated as 'low'. The IT section has continued to concentrate on network resilience and the involvement of specialist contractors has continued. Preparations for individual electoral registration, which involves external linkage to central government IT infrastructure, has led to increased levels of security being implemented.

5.0 **Conclusion**

5.1 The identification, evaluation and control of risk is a continuous process and remains a live issue for the Management Team. In the last twelve months the Team have identified one new risk and have sought to reduce the overall risk rating of the established risks. Over the coming twelve months the Team will continue in this direction.

Author of Report: Ian H Milton

Signature: _____ Date: 18 June 2014

Designation: Assessor & ERO Name: Ian H Milton

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
Current Risks													
1. SAFEGUARDING PEOPLE & PROPERTY													
1a Workforce Health & Safety exposure in a varied, sometimes hazardous environment; lone working, seasonal climate, violence & aggression	Staff injury, assault; low morale, stress; sickness absence; litigation and insurance claim; backlogs and overtime cost; bad publicity; criminal prosecution	4	3	12	MOD	Risk Assessment Programme - Technical + Office + Field activities; Recognised reporting protocols; Issue of Personal Protective Equipment, where appropriate; External advice on control measures; Employee induction. Call in/out procedures documented. Mobile phones in use.	good	6	TOL	GMO	Response to Audit in progress.	01/08/2014	6 monthly
1b Fraudulent activity by employee (Valuation Roll, Council Tax and Electoral Registration)	Adverse publicity; Elected Member concern; senior staff reputational; systems replacement; Internal Inquiry uses valuable resource. Removal of IER Accreditation.	3	3	9	LOW	Audit staff records; Staff training/awareness e.g. conflict of interest; Stringent checks on Valuation Roll and Valuation List amendments improved reporting from 2012/13; Audit reconciliations. ER postal vote number threshold check in place. ER duplicate name check procedure in place.	good	4.5	TOL	IHM	Access to ER on a need to know basis	01/08/2014	6 monthly
1c Fraudulent activity by employee (Financial)	Misappropriation of funds; adverse publicity; Elected Member concern; senior staff reputational; systems replacement; internal inquiry uses valuable resource	2	2	4	TOL	Financial controls Banking reviewed; Staff training/awareness; External check by Finance staff + audit reconciliations	good	2	TOL	IHM	IHM and ARB to continue close liaison with Treasurer and Accountant.	01/08/2014	3 monthly
1f Egin office accommodation may be unfit for current demands of service. Concern regarding DDA.	Health & Safety of staff compromised; poor security; inadequate storage; failure to comply with legislation e.g. DDA; poor image, operational inefficiency; morale damage	4	2	8	LOW	Service responsiveness to assessed risks.	ok	6.4	TOL	NG	Situation to be monitored and annual reports provided. IHM to progress re-decoration & smoke/heat detector provision.	31/03/2015	Annually

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1 - 5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
<p>2. QUALITY, SECURITY, INTEGRITY & COMMUNICATION OF INFORMATION</p>													
2a Inadequate engagement with the Board on Governance matters in general and risk management in particular	Adverse audit report; failure to achieve service improvements; No overall organisational recognition of strategic direction	2	3	6	TOL	Financial and operational performance information reported to the Board at all meetings. The Board review the operational performance thresholds periodically. Risk analysis is presented to the Board annually.	good	3	TOL	IHM	Monitor risk	31/07/2014	Annually
2b The service is heavily reliant upon ICT systems; loss or serious interruption of data or service e.g fire, hacking, virus, employee misuse - intentional or accidental	Loss of data and essential records; cost disclosure of confidential records; cost of recovering systems and data reinstatement; loss of data integrity; Elected Member concern; Partner councils' concern; adverse publicity	4	4	16	HIGH	Rigid protocols for data back-up; Change Data backed-up; Hot back-ups; Weekly back-ups Banff/Elgin etc.; Disaster Recovery Server; Data share with councils; Hard copies; Staff competency & goodwill (NB absence of some core skills). Email outsourced to external supplier; ER data encrypted; Network support contract in place. HQ & Banff server virtualisation complete. Disaster recovery server relocated to G.VJB owned premises and tested Q1 2013. PSN accreditation work in hand for 2014/15.	good	8	LOW	DGY	New network infrastructure in place but speed upgrade being pursued.	01/04/2015	Annually
2c Inadequate corporate policy documents	Errors and omissions; avoidable accidents and loss; employee dispute and claims; adverse audit report; fraud; low morale; breach of legislation; inability to change or improve; failure to meet Corporate Governance obligations	4	2	8	LOW	Equalities etc guidance; policies & procedures review. SAA Governance Committee working on Complaints and Records policies. Model Publication Scheme & Equalities policies have been dealt with.	ok	6.4	TOL	IHM	Reviews of policies ongoing	01/08/2014	6 monthly
2d Inadequate procedure documents	Errors and omissions; avoidable accidents and loss; employee dispute and claims; adverse audit report; fraud; low morale; breach of legislation; inability to change or improve; failure to meet Corporate Governance obligations	4	2	8	LOW	IT, CT and VR manuals and procedures constantly reviewed.	ok	6.4	TOL	MJA GMO ARB	CT manual update will follow launch of new IT application (MJA), VR Manual update completed (GMO). ER manual to follow introduction of IER (ARB)	01/08/2014	6 monthly

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1-5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
							Good x 0.5 OK x 0.8 Poor x 1.5						
3. SPECIFIC BUSINESS RISKS													
3a Referencing of our Valuation Roll, Council Tax and Electoral Registration data may be inefficient	Regular duplication of work; confusion in use of multiple references for same property	4	2	8	LOW	Staff training, Shared Directorates	ok	6.4	TOL	ARB IHM MAA DGY	Work practices under constant review. CT & ER Manuals. File naming convention in place in all divisions. Rationalisation of data storage.	30/09/2014	6 monthly
5. BUSINESS PLANNING & MANAGEMENT													
5e A strategic shift in the taxation ethos	GVB may cease to exist; function may be contracted, regionalised; staff redundancies; low morale, staff required to run down existing systems whilst preparing for replacement procedures; Errors, loss of data	4	4	16	HIGH	Largely a political issue outwith specific control of the service; the SAA is actively engaged in the new devolved taxation bodies which include Revenue Scotland, the Devolved Tax Collaborative and the Tax Consultation Forum.	poor	24	HIGH	IHM	Monitor situation	01/02/2015	Annually
5f Inadequate funding	Essential equipment and Systems upgrade/replacement placed on hold; inability to recruit, retain or develop staff; poor morale; service improvement opportunities lost; staff leakage	5	4	20	HIGH	Board can requisition at their required level. We currently have cross discipline working practices in place. Revised contract of employment adopted. 2013/14 and 2014/15 funding secured from CO for IER developments and implementation.	ok	16	HIGH	IHM	Monitor performance closely for early detection of service degradation. Keep staff informed and involved encourage innovation and flexible working.	Monthly	Monthly
5h Inadequate business continuity planning	Inability to maintain or restore essential business functions within required timescale. Failure to meet statutory deadline; audit censure, intervention; dispute with partner councils; Member concern, media scorn; loss of records, waste of time and essential resource through inability to control crisis situation.	5	5	25	HIGH	Plan approved and implemented. Resilience testing carried out Q1 2013. IT system enhancements to meet PSN standards underway 2014/15	good	12.5	MOD	IHM	Monitor situation	01/09/2014	6 monthly
5i Introduction of IER and other Registration policy changes	Degradation of Register completeness and accuracy	5	3	15	MOD	Active engagement with Cabinet Office & Government Digital Service in place. Risk and issues register in place	ok	12	MOD	IHM	Continue to seek to strengthen degree of engagement with Cabinet Office and Government Digital Service and Inter-ERO liaison. Project planning underway	01/06/2014	Monthly

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1-5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
6. SERVICE, PROCESS & DELIVERY													
6a Inadequate numbers of trained / skilled staff to fulfill statutory functions	Failure to meet statutory deadline; errors, omissions; stress, sickness absence; audit censure; public, media concern	3	5	15	MOD	Our internal recruitment policy and RCS training scheme assists retention/recruitment of trained staff. Individual training plans for graduates/trainees prepared and maintained. Absence Management Policy applied across all offices and staff groups.	ok	12	MOD	MJA	Arrange for experience. Monitor vacancies. Widen training across disciplines. Progress training of all Admin staff in CI, VR & ER work. Review 6 monthly in view of uncertain budgetary conditions.	01/08/2014	6 monthly
6b Inadequate staff development	Inability to retain staff	4	3	12	MOD	SRDS has been implemented.	good	6	TOL	IHM	Monitor and audit.	01/08/2014	6 monthly
6c Over-reliance upon a small number of key Information Technology & Systems specialists.	Backlogs, error and omission; stress; inability to recruit, unattractive prospect; staff leakage, stress; insurance claims; quality deficit, deadlines missed; low morale; inability to plan and schedule	3	5	15	MOD	Ability of management team to plan ahead. Email system is outsourced. Service Level Agreements with external contractors have been reviewed. We have a password bank and website for IT supports and maintenance.	ok	12	MOD	DGY	It is accepted that this risk will always remain in light of the number of IT staff in relation to overall staff numbers. The matter will therefore remain under constant review.	01/08/2014	6 monthly
6d Inconsistency of approach to tasks due to geographical spread of offices and different councils involved	Imbalance in standards and levels of performance arising out of the differing "capabilities" of our constituent councils; friction with partner councils; audit censure; loss of flexibility	4	2	8	LOW	Regular management team meetings, existence of staff manuals, need to adhere to statutory requirements. Review of processes.	good	4	TOL	GMO	Continue to review current procedures. Develop additional IT solutions. Update manuals as required.	01/08/2014	Annually

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1-5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
6e Failure of external contractor at crucial point in service cycle. (ER)	Missed deadline; contractual dispute; GVB blamed for contractor failure; additional expense; re-tendering exercise; audit censure; media comment; friction with partner councils;	3	3	9	LOW	Close and regular liaison with suppliers who are chosen for their proven track record and contract extended. Formal Canvass Project Plan prepared. Canvass Risk Register maintained. Performance Evaluation submitted to Electoral Commission. Additional infrastructure is being procured to increase resilience.	good OK x 0.8 Poor x 1.5	4.5	TOL	ARB	Regular monitoring. Six monthly review.	01/08/14	6 monthly
6f Failure of external contractor at crucial point in service cycle. (IT)	Missed deadline; contractual dispute; GVB blamed for contractor failure; additional expense; re-tendering exercise; audit censure; media comment; friction with partner councils;	3	4	12	MOD	Close and regular liaison with suppliers who are chosen for their proven track record. Requirement for contingency planning by contractors. Backup network in place.	good	6	TOL	DGY	Review reliability of contractors and service providers and rationalise/ change accordingly. PSN accreditation work in progress.	30/09/2014	6 monthly
6g Risk of Solar Flare	There is a heightened risk of increased solar flare activity peaking in 2013. Any magnetic media (disk or tape) could be wiped by such an occurrence.	1	5	5	TOL	Data in Woodhill House is located in basement, this may offer some protection. Banff and Egin data vulnerable. Egin archived data stored at Woodhill House.	ok	4	TOL	DGY	Industry standard precautions taken	01/08/2014	6 monthly
6h Out of hours working for statutory events	Staff not available to process last minute registration or absent vote applications	3	3	9	LOW	Overtime payments or time off in lieu is granted for out of hours working. Employment contracts amended from March 2013 to provide out-of-hours availability.	good	4.5	TOL	IHM		01/06/2014	3 monthly
6i Industrial action by Employees	Reduce capability	3	3	9	LOW	Local Level - close liaison with union reps. National level - negotiations & dialogue via COSLA.	ok	7.2	LOW	IHM	Active monitoring	01/08/2014	6 monthly

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1-5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
Obsolete Risks													
1d Storage accommodation (on and off site) may be unfit for current demands of service. Concerns regarding amount of storage space.	Inadequate storage, operational inefficiency	0	0	0	TOL	Service responsiveness to assessed risks.	good	0	TOL	IMT	No longer a current risk.		
1e Banff office accommodation may be unfit for current demands of service	Health & Safety of staff compromised; cost of running repairs; poor security; inadequate storage; failure to comply with legislation e.g. DDA; poor image, operational inefficiency; morale damage	0	0	0	TOL	Regular building surveys; Patch & mend repairs as necessary; Fire and security protections and direct alarm links; Ongoing premises replacement/relocation negotiations; Service responsiveness to assessed risks.	good	0	TOL	MJA	Building now vacated and staff have moved to new purpose built office. No longer a current risk.		
4a Lack of certainty regarding duty of disclosure under Freedom of Information	No longer considered to be an issue and likelihood minimal.	1	1	1	TOL	Scottish Assessors Association - pooled expertise; Register created on types of information request received to provide guidance. Controls untested, but increasing level of staff understanding obtained from practical experience	good	0.5	TOL	IHM	Revised publication scheme implemented.		
5a Relocation of Banff office	Loss of records; interruption to service and missed deadline; contractor failure; inadequacies in facilities at new site; staff injury, complaint, claim; dispute with contractor; additional, unbudgeted costs	0	0	0	TOL	Tight project plan; Close monitoring of plan. Selective timing. Appointment + monitoring of reputable contractors	good	0	TOL	GMO	Move completed successfully. No longer a current risk.		
5b Relocation of main HQ at future date.	Uncertainty over final location; partner timeframe does not recognise essential GVB service or Statutory deadlines; damage to staff morale; disruption to service; systems failure and related "snagging" problems at new site; staff injury, complaint; loss or damage to equipment; failure by removal contractor; unforeseen costs.	0	0	0	GOOD	Move completed successfully	good	0	TOL	AWH DGY	Move completed in June 2007, new 10 year lease.		
5c Outstanding matters in connection with new lease of HQ accommodation	Uncertainty over final location; partner timeframe does not recognise essential GVB service or Statutory deadlines; damage to staff morale; disruption to service; systems failure and related "snagging" problems at new site; staff injury, complaint; loss or damage to equipment; unforeseen costs.	5	3	15	MOD		good	12	MOD	IHM	Lease finalised.		
5d We may be required to carry out a Council Tax revaluation	Inadequate staff resource - competencies and number; Media management; Member agendas; quality or deadline slip in ongoing service; public resistance and volume of appeals; increased staff costs	1	2	2	TOL	Records are currently maintained up to date in readiness for a Revaluation at any time	good	1	TOL	MT	Revaluation now unlikely.		
5g We may have difficulty managing the outcome of the staffing review; (equal pay legislation). Staffing review completed and Career Grade Scheme approved but not yet fully implemented.	Industrial action; poor staff morale; staff leakage; inability to replace, recruit; increased financial cost.	0	0	0	TOL	Career grade scheme to be implemented.	good	0	TOL	IHM	Review successfully completed and Career Grade Scheme implemented.		

RISK REGISTER

GRAMPIAN ASSESSOR ERO

Risk Description	Worst Case Outcome Scenario	Likelihood of actual occurrence (score 1 - 5)	Impact if exposure occurs (score 1 - 5)	Gross Score (L x I)	Initial Risk Rating	Current Controls	Quality & Effectiveness of Controls	Net Score	Revised Risk Rating	Risk Owner	Action Proposed	Review Date	Review Cycle
Notes													
Likelihood & impact of each incident are first multiplied to provide an initial score. Both Likelihood & Impact are measured on a scale of 1 = Low, 5 = High.				Key						MT	Management Team		
The initial assessment is a consideration of the risks without regard to any controls or procedures that may be in place. This provides a gross score which is an indication of the potential scale of any problems. IT IS ESSENTIAL THAT GROSS SCORE IS NOT BENEFICALLY INFLUENCED BY CONSIDERATION OF EXISTING OR INTENDED CONTROLS.				CT		Council Tax				ARB	Drew Baillie		
The manager or group then review the CONTROLS that are or should be in place to reduce the various exposures (with reality/testing as appropriate) and adjust the gross score by weighting factors (good = 0.5, OK = 0.8, poor = 1.5) to provide a net risk score.				ER		Electoral Registration				AWH	Alistair Hay		
Net risk scores are graded -				KPI		Key Performance Indicator				DGY	David Yeaman		
TOLERABLE = < 6.5; LOW = 6.5 up to 10; MODERATE = > 10 up to 15; HIGH = > 15				IT		Information Technology				FMG	Fiona McKelvie		
Any risks still assessed as HIGH or MODERATE should be programmed for corrective action. This should be agreed with the risk owner who should assign responsibility for taking action and the appropriate timescales, e.g. High = commence within 4 weeks; Moderate = commence within 4 months; Low = commence if resource available; Tolerable = No action				VR		Valuation Roll				GHO	Gavin O'Grady		
										IHM	Ilan Milford		
										JAB	Jim Barron		
										MAA	Mark Adam		
										NG	Niall Gibson		



REPORT TO: Grampian Valuation Joint Board on 27 June 2014

SUBJECT: IRRV Scottish Conference 2014

BY: The Assessor & ERO

1. Reason for Report

1.1 To advise the Board in relation to the Institute of Revenues, Rating and Valuation (IRRV) Annual Scottish Conference and to seek approval for representation at the conference.

2. Recommendation

2.1 **The Board consider attendance at the conference.**

3. Background

3.1 The Board has supported the Scottish annual conference that addresses local taxation issues, focussing on valuation, revenues and benefits along with the performance and service improvement agendas.

3.2 Attendance normally extends to the Convenor, Depute Convenor and Assessor (or substitutes) and a free delegate place allocated to a member of the surveying staff. In addition, four other surveying staff usually attend the technical sessions as half-day delegates.

3.3 The conference sessions have proven to be a valuable source of professional development training for the Board's surveying staff who are members of the Royal Institution of Chartered Surveyors (RICS).

3.4 In line with other professional bodies, and in accordance with the terms of the Institution's Royal charter, the RICS requires its qualified members to complete 20 hours of professional development training per year. Trainee members must complete 48 hours of professional development training each year.

4.0 Current Position

- 4.1 The conference programme is provided as an appendix to this report and includes a number of relevant sessions for Board members, qualified and trainee personnel. There is a strong focus on renewables in the valuation sessions along with sessions on a range of non-domestic rates, council tax and benefits issues including rates avoidance, financial inclusion, the treatment of long – term empty dwellings, discretionary housing payments and tax increment financing.
- 4.2 The delegate fees, which have not altered for the last five years, are £448 with the fourth place provided free of charge. The half-day technical sessions are available at £135 where at least two full delegates attend the conference
- 4.3 The 2013/14 training budget has an allocation for this item of expenditure.

5.0 Conclusion

- 5.1 The conference provides an excellent opportunity for the Board towards meeting its professional development and training responsibilities. The fees are reasonable when compared to alternative training providers.
- 5.2 The Board is therefore invited to consider attendance at the 2014 conference.

Author of Report: Ian H Milton

Signature: _____ Date: 23 June 2014

Designation: Assessor & ERO Name: Ian H Milton



IRRV Annual Scottish Conference
& Exhibition 2014

**Scotland's Public Services –
Building on Innovation**

Crieff Hydro Hotel, Crieff, 3rd – 4th September 2014

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Overall Conference Sponsor

 **irrvscotland**

Valid for IRRV CPD Points

The Institute is delighted to announce details of its 2014 **Scottish Conference. The Conference is – by popular demand – returning to the Crieff Hydro Hotel, where** conference attendees will have the opportunity to enjoy the excellent recreational facilities set in beautiful surroundings.

The theme of this year's Conference – "Scotland's Public Services – Building on Innovation" – comes at an important time for Scotland and will look in-depth at the key issues facing the public services, with particular emphasis on valuation, benefits and revenues issues.

In addition to delivering key updates on the big issues and encouraging debate about these, conference will also examine the improved delivery of Scottish public services in a time of financial challenges and will examine how to provide quality services and continuous improvement into the future.

The Institute is again indebted to Scott and Co who are our Overall Conference Sponsor at Crieff 2014.

EXHIBITION AND AWARDS AREA

A key feature of any Conference is the exhibition, which in recent years has grown substantially in both number and range of stands, providing delegates with the opportunity to visit companies specialising in many areas of interest. We are pleased to announce that there will also again be a Scottish Awards Area, where Scottish organisations entered for the IRRV Performance Awards will have the opportunity to showcase their entries.

CONFERENCE SPEAKERS

This year's Conference programme is both wide-ranging and will be of great interest to all who have a role to play in local taxation, valuation, benefits and related fields.

The afternoon sessions are designed to appeal particularly to those at the 'sharp end' of service delivery. Special rates are available for those attending afternoon sessions only, when accompanied by a full or day delegate. The Institute is also pleased to advise that IRRV Students will again have their own Seminar at the Scottish Conference (on Thursday 4th September) and this will also enable them to attend several of the main Conference sessions. Details will be sent to students directly.

This conference and accompanying exhibition is a major event in the Scottish local government calendar and offers everyone with an interest in local government and related fields, the opportunity to debate key issues, listen to new ideas and make a contribution by expressing their opinions.

DELEGATE FEES

The IRRV Scottish Conference remains excellent value for money with fees frozen for the sixth year running, making it one of the best value major events in the Scottish calendar. These are as follows:

Rate A – Full Residential Delegate

£448.00 (plus £89.60 VAT)

Rate B – Non-Residential Delegate

£364.00 (plus £72.80 VAT) (excludes Gala Dinner)

Rate C – Day Delegate (per day)

£234.00 (plus £46.80 VAT)

Note IRRV members will receive a 10% Discount on Rates A & B

WHAT'S INCLUDED

The IRRV Scottish Conference offers outstanding value for money: two buffet lunches, the Conference Gala Dinner, bed and breakfast accommodation at the Crieff Hydro Hotel (subject to availability) including free use of parking and leisure facilities, coffee and tea at various times, all conference documentation including speakers' handouts, and free entrance to the conference exhibition – all for £448.00 plus £89.60 VAT.

The Institute is again including excellent delegate offers to encourage attendance. Every fourth delegate (of the same Delegate Rate Type) from the same organisation comes entirely free of charge. Additionally, where an organisation has at least two full delegates (ie Rate A or B), it will be permitted to send up to 4 "half day" delegates to the afternoon sessions only on either day of the Conference for only £135.00 + £27.00 VAT.

ADDITIONAL NIGHT'S ACCOMMODATION

For residential delegates also wishing to stay on Tuesday 2nd September, we are able to arrange Bed and Breakfast accommodation at the Crieff Hydro Hotel for an additional £84.00 plus £16.80 VAT (subject to availability). Should you require this, please tick the appropriate box on the booking form.

COMMERCIAL ORGANISATIONS

The Institute reserves the right to charge a supplementary fee of £250.00 plus £50.00 VAT per person to representatives of commercial organisations not exhibiting or supporting the Conference and wishing to register delegates.

PROGRAMME CHANGES

All speakers are subject to confirmation. The Institute reserves the right to alter the programme as necessary without notice.

HOW TO BOOK

All bookings must be made in writing using one of the following options:

FAX 01382 456029
E-MAIL scotland@irrv.org.uk
POST IRRV Scotland
2a Argyle Street
DUNDEE DD4 7AL

All telephone enquiries should be made to Fraser Macpherson, IRRV Manager for Scotland and Northern Ireland, on Dundee (01382) 456029.

VAT RECEIPTS

On receipt of the registration form, the IRRV will issue a VAT invoice at the prevailing rate.

Conference sessions include :

- **Keynote Opening Address** – Local Government's future – Professor Tony Travers, Department of Government, London School of Economics
- Perspectives on local government – Douglas Sinclair, Chair, The Accounts Commission
- The challenges of corporate debt – David McLaughlin, Managing Partner, Scott & Co and Lesley Henderson, Project Manager – Corporate Debt Project, Fife Council
- Reforming insolvency – Claire Orr, Deputy Director and Executive Director of Policy and Compliance, Accountant in Bankruptcy
- **Tackling Business Rates Avoidance – a threat or opportunity?** – Ewan Wallace, Billing and Collection Manager, Aberdeen City Council and also a business community representative
- **Electronic engagement – is it working?** – Bob Miller, Customer Management Project Manager, Argyll and Bute Council and Michelle Morris, Depute Chief Executive and Director of Corporate Development, The Highland Council
- **Welfare reform – what's next?** – Graham Mowat, Universal Credit Programme, Department for Work and Pensions
- **Financial Inclusion Strategies – Seeking innovative solutions** – Jim McCafferty, IRRV Junior Vice President
- Progress with implementing Water Direct – Jon Rathjen, Team Leader – Water Industry, Scottish Government and Judith Hartshorne, Social Justice Team, Department for Work and Pensions
- The Challenge of Automation – Paula Doherty, Principal Benefit Officer, Dumfries & Galloway Council and Andrew Melvin, Managing Director, Govtech Solutions
- Single Fraud Investigation Service: a progress report – Dave Gaskell, Fraud Error and Debt Programme, Single Fraud and Investigation Service Project, Department for Work and Pensions
- The Reality of Shared Services – Andrew Stevens, Assistant Director (Customer Delivery), EK Services
- Discretionary Housing Payments – **the wound that's not healing** – Derek Yule, Director of Finance, Highland Council and Neil Jamieson, Income Manager, City of Edinburgh Council
- Tax Incremental Financing – David McIntosh, Assistant Director, Lead Advisory – Infrastructure, Transport and Government, Ernst & Young LLP and Colin Frame, Principal Surveyor (Investment), Falkirk Council
- **Council Tax changes – the impact for long-term empty properties and part-residential subjects** – Les Robertson, Services Manager – Revenues, Fife Council
- Risk Based Verification – June Deans, Revenues and Benefits Manager, Glasgow City Council and Kirsty Whiteside, Service Delivery Manager – Revenues and Benefits, Glasgow City Council

This year sees the latest ever number of sessions for valuation professionals, including :

- **Rating Valuation of Energy Properties – Current and Future Issues** – Keith Norman, Partner, Gerald Eve
- The prospects for renewables in Scotland – Joss Blamire, Senior Policy Manager – onshore renewables, Scottish Renewables
- **Renewable Energy – the valuation issues for 2017** – Guy Richardson, Director, Rating, Colliers International
- **Mineral – what matters?** – Philip King, Head of Minerals, Gerald Eve
- UK Economic and Property Cycles from a Rating Valuation Perspective – Dr Walter Boettcher, Director – Research and Forecasting, Colliers International UK PLC
- **Agricultural Diversification – An industry perspective** – Agricultural industry spokesperson
- **Agricultural Diversification – A rating perspective** – David Gibson, Divisional Valuer, Lothian VJB

The detailed programme timings will be available in the near future.

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DELEGATE
BOOKING FORM!



IRRV Conference Diary 2014

BENEFITS AND REVENUES TRAINING COURSES – SCOTLAND

Glasgow, Falkirk and Grangemouth
September – December 2014

UK ANNUAL CONFERENCE AND EXHIBITION

Telford International Centre
7th – 9th October 2014

MONEY ADVICE AND SOCIAL INCLUSION CONFERENCE

A joint event with Money Advice Scotland
Glasgow
November 2014

SCOTTISH BENEFITS CONFERENCE AND EXHIBITION

Crieff
10th and 11th December 2014

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