

**MINUTE of MEETING of CENTRAL SCOTLAND VALUATION JOINT BOARD
held within HILLSIDE HOUSE, STIRLING on FRIDAY 20 MARCH 2015 at 9.30
a.m.**

COUNCILLORS:

Margaret Brisley
Gordon Hughes
Charles MacDonald (Convener)
Rosie Murray
Cecil Meiklejohn
Alan Nimmo
Sandy Turner

OFFICERS:

Ashley MacGregor, Assistant to the Treasurer
Brian Pirie, Assistant to the Clerk
Jane Wanless, Assistant Assessor
Peter Wildman, Assessor and Electoral Registration
Officer

VJB37. APOLOGIES

Apologies were intimated on behalf of Councillors McChord and Mahoney.

VJB38. DECLARATIONS OF INTEREST

No declarations were made.

VJB39. MINUTE

The minute of the meeting held on 23 January 2015 was approved.

VJB40. REVENUE BUDGET 2014/15 – REVIEW AS AT 31.01.15

The Board considered a report by the Treasurer presenting the year end outturn.

The revenue budget for 2014/15 was £2.539m. The projected year end outturn was £2.312m.

The report summarised the reasons for the projected underspend of £227,000. In addition to a reduction in salary costs due to the Depute Assessor post vacancy, additional funding relating to extraordinary referendum costs (£32,000) and individual Elector Registration advertising (£36,000).

The Assessor confirmed that all additional costs in regard to the Referendum had been met by the Scottish Government.

Decision

The Board noted the report.

VJB41. MANAGEMENT TEAM RESTRUCTURE

The Board considered a report by the Assessor and Electoral Registration Officer proposing a revision to the management team structure.

Following a review of the current management team structure, the Assessor and Electoral and Registration Officer proposed a revised structure. This, in addition to ensuring the effective delivery of services, would result in savings to the Board. It was proposed that the post of Depute Assessor is deleted and the post of Assistant Assessor is enhanced. In addition, it was proposed that the Assistant Assessor is appointed as a depute Electoral Registration Officer in terms of the Representation of the People Act 1983. It was anticipated that the proposed restructure would realise savings of £76,000 a year and would be followed by further restructuring within the service. It was proposed that £15,000 is retained to facilitate, if necessary, further restructure.

Decision

The Board AGREED:-

- (1) the first phase of the restructure -
the removal of the Depute Assessor's post and the
enhancement of the current Assistant Assessor's post.**
- (2) the retention of £15,000 to be available, if
necessary, to facilitate the further restructure of the
organisation.**



AGENDA ITEM 4

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: VOLUNTARY SEVERANCE
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 19th JUNE 2015
Author: PETER WILDMAN, ASSESSOR

1.0 INTRODUCTION

As outlined in the Draft Revenue Budget presented to the Board on the 23rd January 2015, it is anticipated that there will be a potential funding gap of over £299,000 in the year 2016/17 rising to £387,000 by 2017/18. This anticipated shortfall is based on the assumption that VJB funding allocation will reflect local authorities own anticipated funding levels from the Scottish Government. Whilst savings have already been identified including the loss of the Depute Assessors post it is clear that in view the shortfall we must identify further significant savings from our overall staffing budget. It is therefore proposed that we invite applications from all staff for Voluntary Severance.

2.0 VOLUNTARY SEVERANCE BACKGROUND

The Board approved CSVJB's 'Redundancy Policy' in 2010 (See Appendix 1). This policy is available to view by staff on the CSVJB intranet. Whilst this policy makes reference to Voluntary Severance, following consultation with Clackmannanshire Council HR, it was considered that a separate Voluntary Severance Policy was required providing more specific guidance. Following this consultation a proposed 'Voluntary Severance Policy' (See Appendix 2) and 'Voluntary Severance Employee Fact Sheet' (see Appendix 3) have been prepared. We are therefore seeking approval of the proposed 'Voluntary Severance Policy' and 'Voluntary Severance Employee Fact Sheet'.

3.0 FINANCIAL BACKGROUND

As mentioned above the expected funding shortfall for the CSVJB is expected to reach £387k in the next 3 years. Therefore we are looking at ways to reduce costs and streamline services. As employee related expenditure accounts for 73% of the annual expenditure, voluntary severance is being offered to reduce the ongoing employee costs of the organisation.

The offer of voluntary severance will incur costs in the year of the decision. To support the costs in the year, it is proposed to create an employment fund from reserves to the value of £200k. The cost of VS will be recovered within 2 years of the decision, reducing the longer term employee costs of the organisation.

Payments made to employees under the scheme are tax free up to a value of £30k, and no national insurance contributions are incurred.

4.0 TIMETABLE

In the event that the proposed Voluntary Severance Policy and Employee Factsheet are approved by the Board the following timetable is proposed:

Week Commencing 22 nd June, 2015	Letters inviting applications for Voluntary Severance issued to staff. Response deadline 10 th July, 2015
Week commencing 13 th July, 2015	Forms sent to Pensions and Clackmannanshire Finance for estimate of pension/compensatory benefits.
Circa September, 2015	Following receipt of estimates meeting to discuss proposals.
31 st March, 2016	Preferred deadline for staff leaving service (possibly with the exception of some key electoral staff)

5.0 It is recommended that the Board approves the proposed 'Voluntary Severance Policy' and 'Voluntary Severance Employee Fact Sheet'.

It is recommended that the Board approves the use of £200k of reserves to fund the costs associated with Voluntary Severance.

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Assessor

Central Scotland Valuation Joint Board

Redundancy Policy

1.0 Redundancy Policy

1.1 Notes: This Policy largely follows previous Clackmannanshire Council approved policy. "Assessor" includes "ERO"

1.2 The Valuation Joint Board recognises that organisation restructuring and employee reductions may be required at times in order to fulfil its purposes. In such situations, the Board's approach will be based on the following guiding principles.

1.3 The Valuation Joint Board will aim to retain a balanced workforce with the skills, qualifications and competence to ensure effective execution of its and the Assessor's functions.

1.4 Employee reductions will be sought on a voluntary basis where possible. The Board's policy on redeployment will apply.

1.5 Compulsory redundancy will be considered when all reasonable voluntary means have been exhausted.

1.6 The Assessor will consult with the JTUC or local representatives of recognised Trade Unions in the identification and determination of areas of savings required, in restructuring proposals and in the development and implementation of these procedures. This consultation will commence as early as practicable in the process.

1.7 Where the need for employee reductions is due to financial reasons, potential for achieving savings in all areas of employee costs will be examined, including working patterns and practices and the interpretation and application of terms, conditions and allowances.

1.8 Redundancy Implementation: Responsibility for implementation of the policy and procedure rests with The Assessor acting in conjunction with Clackmannanshire Council Human Resources. The specific procedure adopted would reflect the particular situation, but in general the major stages are as follows.

1.9 Identifying Posts Vulnerable to Redundancy: The Assessor will identify and advise Human Resources of the numbers, types and locations of posts potentially redundant. This **will** include the total number of such posts within the relevant group.

1.10 Voluntary Severance: The Assessor, in conjunction with Human Resources will attempt to identify volunteers for severance whose release would enable a compulsory redundancy to be avoided.

1.11 Redeployment Opportunities: In line with the Redeployment Policy, The Assessor will consider internal re-arrangements within the service which would facilitate redeployment. This should include a review of temporary, casual and over-time working within the service if redundancies are threatened, to reduce where possible, the use of these practices to avoid redundancy of permanent employees.

In doing this, the rights and expectations of long term temporary or casual staff may require consideration.

1.12 Retraining costs are part of redeployment and will therefore be met by the Valuation Joint Board.

1.13 Compulsory Redundancy: When all voluntary means are exhausted and surplus groups remain, compulsory redundancy selection criteria would be applied to achieve the balance of necessary redundancies. These will be applied within groups of employees within the service as identified at the start of the process.

1.14 Human Resources, in conjunction with the Assessor will maintain and implement procedures for selection for redundancy among defined groups of employees. The basis of assessment will be a number of common criteria including qualifications and competence, attendance, disciplinary record and length of service. Given the aim is to retain the workforce best equipped to deliver services, greater weight will be on job related factors.

1.15 Assessment will be carried out by managers, assisted by Human Resources. The assessment criteria are detailed in Section 11.0 below.

1.16 Contractual notice of termination of employment by reason of redundancy would be served to those individuals identified through this process. Endeavours to find alternatives to compulsory redundancy of an individual will continue until the effective date of termination.

1.17 Consultation and Communication: At each stage of the process, Trade Union Representatives will be consulted as will staff in the affected groups. The Assessor and Human Resources will act jointly in consultation processes to help ensure a consistent approach. At the outset, the relevant Trade Unions will be invited to confirm the route through which they wish consultation to take place. Consultation should be based on the following:-

- start when proposals are at a formative stage;
- contain adequate information on which to respond;
- give adequate time in which to respond;
- conscientious consideration by the authority to the response to consultation.

1.18 Where any compulsory redundancy or redeployment results in the removal of Assessor, Depute Assessor, or statutory depute Assessor from post the relevant legislation should be taken into account [Section 27(6) Local Government (Scotland) Act 1994]

2.0 Severance Payments Management Guidelines

2.1 Eligible Staff. To be eligible for consideration under this Scheme, members of staff must be or could have been a member of the Local Government Pension Scheme.

2.2 The eligibility for pension and compensatory benefits is determined by reference to the age and length of service as follows:

Age at Date of Severance	Length of Service at Date of Severance	Pension Benefits (if applicable)	Compensatory Benefits	Statutory Redundancy
Under 50	less than 2 years	Refund of contributions	None	No
Under 50	at least 2 years	Payable from age 60	Immediate lump sum payment (see paragraph 2.4)	Included in compensatory benefits paid
50 and over	less than 1 year	Refund of contributions	None	No
50 and over	at least 1 but less than 2 years	Refund of contributions	Immediate lump sum payment (5 weeks)	No
50 and over	at least 2 years but less than 5 years	Immediate Pension and Lump Sum	None	Yes
50 and over	at least 5 years	Immediate Pension and Lump Sum	Compensatory added years (see paragraph 2.4)	Yes

NOTE: Length of service for the purpose of calculating compensatory benefits and statutory redundancy is continuous local authority service. For the purpose of calculating pension benefits, it is total pensionable service based on full time equivalent service and includes any transferred in pensionable service.

2.3 Components of the Severance Package. The costs consist of a number of elements:-

- The member of staff's Pension Fund entitlement and, in the case of redundancy, the Statutory Redundancy Payment which are not negotiable.
- Negotiations can take place with the member of staff in order to maximise the staff package while still achieving the required savings to the Valuation Joint Board. He / she may be accompanied by a trade union representative. The elements that are negotiable are the number of Compensatory Added Years to be awarded, and exceptionally, the number of week's payment in lieu of notice and the number of day's payment in lieu of annual leave.
- The Valuation Joint Board will use its discretionary power to calculate redundancy based on an actual week's contractual pay.

2.4 Options Where There Are Redundancy or Efficiency Savings

- a) If the member of staff is under age 50 the basic package will consist of:
- An immediate compensatory lump sum payment chargeable to the employing Service, calculated as follows:

Age at Date of Severance	Number of Week's Pay Per Completed Year of Service
Under 23	0.5 weeks from age 18 to date of severance plus 0.5 weeks from age 20 to date of severance. Above is subject to a maximum of 3 weeks
23 and under 50	2 weeks from age 18 to date of severance plus 3 weeks from age 41 to date of severance. Above is subject to a maximum of 66 weeks

If the member of staff is ceasing by reason of redundancy, the above payment includes the Statutory Redundancy payment.

And

- An award of preserved pension fund benefits, which would normally come into payment between age 60 and 65. Alternatively, the pension rights could be transferred to another pension scheme. If the member of staff has less than 2 years pensionable membership, then they qualify for a refund of contributions.
- b) If the member of staff is **age 50 or over and has completed less than 1 year's service**, the basic package will consist of:
- A refund of pension contributions, chargeable to the Pension Fund
- c) If the member of staff is **age 50 or over and has completed 1 year but less than 2 years' service**, the basic package will consist of:
- A refund of pension contributions, chargeable to the Pension Fund; and
 - An immediate compensatory lump sum payment equivalent to 5 week's pay, chargeable to the employing Service;
- d) If the member of staff is **age 50 or over and has completed 2 years but less than 5 years' service**, the basic package will consist of:
- Immediate payment of the staff accrued pension fund pension and lump sum. The cost of pension based on actual service will be met by the Pension Fund. There will be a strain payment based on actuarial calculation of the cost of paying the pension early, charged to the employing Service. This will be calculated and notified by Pensions.

- Immediate payment of a Statutory Redundancy Payment where the member of staff ceases by reason of redundancy, chargeable to the employing Service.

e) If the member of staff is **age 50 or over and has completed at least 5 years' service**, the basic package will consist of:

- Immediate payment of the staff accrued pension fund pension and lump sum. The cost of pension based on actual service will be met by the Pension Fund. There will be a strain payment based on actuarial calculation of the cost of paying the pension early, charged to the employing Service. This will be calculated and notified by Pensions.
- Immediate payment of a Statutory Redundancy Payment where the member of staff ceases by reason of redundancy, chargeable to the employing Service.
- In addition a compensatory pension and lump sum based on an award of Compensatory Added Years can / should be paid. This is chargeable to the employing Service.

The maximum number of Compensatory Added Years that can be awarded is the shortest of the following periods:

- The number of years required to make up the persons service to 40 years.
- The period between the date of cessation and the persons 65th birthday.
- A period equal to the person's accrued service.
- 10 years.

Compensatory Added Years in respect of part-time staff will be based on the actual hours worked.

The number of compensatory added years can be reduced or not granted at all in order to ensure that revenue budget saving is achieved within 2 years.

f) Where a member of staff has been awarded more than six and two thirds Compensatory Added years and ceases employment by reason of redundancy, the compensatory lump sum, and ultimately the compensatory pension, can be reduced. In these circumstances the member of staff will be able to select either the maximum Compensatory Added Years award or a Compensatory Added Years award restricted to six and two thirds years.

g) Exceptionally, in addition to one of the above packages, the member of staff may also receive Payment in Lieu of Notice in respect of the unexpired period of the notice required to be given in accordance with the appropriate Conditions of Service. The member of staff may also receive payment in lieu of outstanding annual leave. These will only be authorised in exceptional circumstances where the member of staff has been unable to exhaust leave entitlement prior to employment ending, or the Valuation Joint Board has been unable to give sufficient contractual notice.

h) Staff who are aged 50 or over and who are not members of the Local Government Pension Scheme are covered by the Pension and Compensation regulations under which they can also be awarded up to 10 added years even if they have never been in the scheme. The cost of this will be met by the employing service. In addition, they would be entitled to payment in lieu of any unexpired period of notice and, if a redundancy situation, a statutory redundancy payment.

2.5 Options Where There is No Redundancy or Efficiency Saving

a) Age 50 to 60: The Valuation Joint Board can opt to release pension payments immediately where staff agree to resign even where redundancy or efficiency savings do not apply. Strain costs will have to be considered. Payments to staff would be reduced if the rule of 85 is not complied with. This would benefit the Valuation Joint Board by reducing the strain payments.

2.6 Re-Employment

Severance packages are normally justified by demonstrating the Valuation Joint Board will secure a financial benefit. An individual who has received a severance payment will not normally be eligible for re-employment and can only be considered in specific circumstances.

3.0 Administration Process

3.1 Introduction. The following sets out a draft process in the application of the Severance Scheme. The process ensures that the member of staff receives the maximum possible benefits within the boundaries of the Pension Regulations and the financial implications to the Valuation Joint Board.

3.2 The Process

3.2.1 Form Severance 1 and general template letter provided by Human Resources, amended as appropriate by the Assessor, to be disseminated to "targeted" staff.

3.2.2 The member of staff submits form Severance 1 to the Assessor indicating an interest in voluntary severance.

3.2.3 The Assessor decides whether or not the request is eligible for further consideration.

3.2.4 The Assessor will prepare a comprehensive assessment of the service delivery implications which will include proposals on the future execution of the work, to ensure that there is not an unacceptable detrimental effect on existing or future service provision as a result of granting the severance application.

3.2.5 The Assessor consults Human Resources to consider all personnel issues in connection with the potential retiral. All Severance 1 forms which have been approved by the Assessor will be forwarded to Human Resources.

3.2.6 For those staff who are being permitted to proceed with severance arrangements, Human Resources will firstly request information from Clackmannanshire Council Finance Services (Payroll) and then details of the financial implications from the Pensions Section.

3.2.7 The Pensions Section calculates benefits making up the package and forwards the financial implications to Human Resources for onward transmission to services.

3.2.8 The Service accountant and Assessor appraise the financial implications of granting severance based on service requirements, long term financial savings to the Valuation Joint Board, service improvement savings etc, against the Valuation Joint Board Policy.

3.2.9 The Assessor together with Human Resources will consult with the appropriate Trade Union about service delivery changes, job redesign etc prior to deciding whether the application can be granted.

3.2.10 The Assessor determines final package available to the member of staff in consultation with Human Resources who will advise the Pensions Section.

3.2.11 On obtaining final approval of the package to be offered to the member of staff, the Pensions Section will formally issue an offer to the member of staff.

3.2.12 The member of staff will, within two weeks of receiving the offer, formally notify Human Resources in writing whether the offer is accepted or rejected.

3.2.13 Human Resources advise the Pensions Section of the member of staff's decision and if accepted, confirm termination information.

3.2.14 Human Resources issue formal notice of redundancy to those staff leaving on voluntary severance.

4.0 Redundancy Procedure

4.1 Introduction. As staff costs are a major element of Valuation Joint Board expenditure, reductions may be required to achieve the necessary budget savings. The approach to achieving staff cost savings is based on the following guiding principles:-

4.1.1 The Valuation Joint Board's aim is to retain a balanced workforce with the skills, qualifications and competence to ensure effective execution of the Assessor's functions.

4.1.2 The Assessor will consult with JTUC or local trade union representatives in the identification and determination of areas of savings, and in the development and implementation of these procedures.

4.1.3 Potential for achieving savings in all areas of staff costs will be examined, including working patterns and practices and the interpretation and application of terms, conditions and allowances.

4.1.4 Staff reductions will be sought on a voluntary basis where possible.

4.1.5 Compulsory redundancy will be considered when all reasonable alternative voluntary means have been exhausted.

5.0 Outline Procedure - Voluntary Severance

5.1 Services will attempt to identify volunteers for severance whose release would enable a compulsory redundancy to be avoided. Services should note however, that any Superannuation STRAIN payment is currently directly chargeable to the base service. (The voluntary severance scheme is documented separately.)

6.0 Identify Posts Vulnerable to Compulsory Redundancy

6.1 The Assessor will identify and advise Human Resources of the numbers, types and locations of posts potentially compulsorily redundant. This should include the total number of such posts within the relevant group. (For example, 4 operatives' posts to be lost from a workforce of 50 operatives within the service and location, or linked locations between which individuals regularly move in the course of their jobs).

7.0 Redeployment Opportunities

7.1 The Assessor will implement internal re-arrangements within the service, which would facilitate the identification of redeployment opportunities. This should include a review of temporary, casual and over-time working within the service where redundancies are threatened, to reduce where possible, the use of these practices to avoid redundancy of permanent staff. In doing this, the Assessor should be sensitive to the rights and expectations of long term temporary or casual staff with more than one years' continuous service. Human Resources will advise in such situations.

7.2 Human Resources will collate a list of individuals based upon information supplied by the Assessor of who would be prepared to accept severance if a suitable internal replacement could be found with a subsequent job becoming redundant. Managers responsible for these jobs should complete a brief pro-forma list of the essential and desirable qualities required, based upon the job profile for each post. Guidance and standard format for this will be provided by Human Resources.

7.3 Human Resources will co-ordinate a list of current vacancies and circulate to those identified as suitable for redeployment.

7.4 Staff who are transferred into suitable alternative employment which carries a lower salary will do so on a cash conserved basis for a period of 6 months from the date of transfer to allow for adjustment to the lower salary. After this period has expired, payment will be 'rate for the job'.

8.0 Redeployment Process

8.1 The aim is to achieve as streamlined and speedy a process as possible consistent with fair and equal consideration for all individuals involved.

8.2 The Assessor will attempt to reconcile redeployment needs and opportunities within the service in the first instance. In doing this, restricted recruitment may be necessary among a specified group of staff. The process to be followed should be made clear to the individuals involved, and be the subject of local consultation with staff representatives.

8.3 The following steps should be adopted in each situation.

a) Individuals in the defined surplus groups (as described in Paragraph 4 above) will be provided with a summary of the available posts and requirements of the posts.

b) These individuals would all be invited to consider voluntary severance, and will be invited to volunteer for redeployment by indicating their interest and order of preference for the available posts. In each case they should complete a brief Pro Forma (provided by Human Resources) showing how they meet the requirements of each post which is of interest to them.

c) The response / responses will be collated and people selected for redeployment interviews, based on achieving the maximum number of redeployments of suitable candidates.

d) Managers will interview and decide appointments on the basis of assessing candidates for suitability, with the best candidate from the potential redeployees being appointed. Where a candidate meets the minimum criteria, an appointment should be made - in other words, Managers should not decline to make an appointment on the grounds that in free open advertising they may be able to recruit an even better candidate. Any retraining costs will be identified and met by the base service.

e) Managers should record and feedback reasons for decisions to Human Resources who will then collate the results and prepare a list of any residual surplus areas, types and numbers of posts where reductions still need to be achieved.

f) A similar process, on a service-wide basis, including vacancies as well as posts available to staff will be collated to aim to redeploy any individuals who remain.

9.0 Compulsory Redundancy

9.1 When all voluntary means are exhausted, and surplus groups remain the Valuation Joint Board's compulsory redundancy selection criteria would then be applied to achieve the balance of necessary redundancies. These will be applied within groups of staff within services as identified at the start of the process.

9.2 Selection for redundancy among a defined group of staff will be on the basis of assessment against a number of common criteria including qualifications and performance, attendance, disciplinary record and length of service. Given the aim to retain the workforce best equipped to deliver services, greater weight will be on job related factors.

9.3 Assessments will be carried out by managers, assisted by Human Resources. An assessment sheet, which sets out the criteria and the weighting to be given to each one will be completed in discussion with each member of staff involved. Those who are assessed as the lowest scoring in the group would be selected for redundancy. A copy of the assessment sheet, together with guidance for managers in carrying out the process is contained in Section 11.0 below.

9.4 Contractual notice of termination of employment by reason of redundancy would be served to those individuals identified through this process. Endeavours to find alternatives to compulsory redundancy of an individual will continue until the effective date of termination.

10.0 Consultation and Communication

10.1 At each stage of the process, trade union representatives will be consulted as will staff in the affected groups. At the outset, the relevant trade unions will be invited to confirm the route by which they wish consultation to take place.

10.2 Consultation should be based on the following:-

- start when proposals are at a formative stage;
- contain adequate information on which to respond;
- give adequate time in which to respond;
- conscientious consideration by the authority to the response to consultation.

Services and Human Resources should act jointly in consultation processes to help ensure a corporate perspective and consistent approach.

10.3 Where any compulsory redundancy results in the removal of Assessor, Depute Assessor, or statutory depute Assessor from post the relevant legislation should be taken into account [Section 27(6) Local Government (Scotland) Act 1994]

11.0 Compulsory Redundancy Employee Assessment - Manager's Guide

11.1 Introduction. The purpose of this process is to ensure consistent treatment of all staff in a group where redundancy is required, to ensure that the selection is fair and is based as far as possible on objective evidence of job related factors.

11.2 Redeployment / suitable alternative employment.

11.2.1 The format should be an interview discussion with each individual together with their Line Manager and Human Resource Adviser at which the factual position in each of the factors described below should be confirmed. Line Manager in this context will be Assessor, Depute Assessor, Assistant Assessor, Depute ERO

11.2.2 The assessment sheet lists the factors to be considered, and shows the weighting to be applied to each one. The process is based on the assessors awarding a score against each factor. The total scores are compared across the group and the lowest scoring individuals selected for redundancy.

11.2.3 It is important that the evidence on which the assessment is based is accurate and consistent. Guidance on this part of the process is set out below:-

12.0 Scoring Assessment Factors

12.1 Essential Qualifications and Competencies:

The scoring for this factor is divided into qualifications and competencies with an overall maximum of 50 points.

Essential qualifications should be taken from the Job Profile.

Level	Points
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Fully Qualified	15
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Partly Qualified	10
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Studying Toward OR

Other Relevant Qualification 5

12.2 The management team should develop a list of around 6 key competencies which are a requirement of the job and use the guidelines below for assessment.

Assessment by manager based on interview and discussion of job performance. Formal assessments / appraisal should also be used whenever available.

Scale	Scoring	Points
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Exceptional	46 - 60	35
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Fully Effective	31 - 45	25
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Effective	16 - 30	15
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Not Effective	0 - 15	0
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12.3 Attendance (Source: service record)

Absence in Last 3 Years	Points
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Less than 4% in 3 episodes or less	20
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Less than 4% in more than 3 episodes	10
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4% or more 3 episodes or less	0
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4% or more in more than 3 episodes -10

12.4 Discipline(Source: personal record)

Spent discipline record is disregarded.

Warning	Points
Oral	-2
Written	-5
Final Written	-10
None	+10

12.5 Length of Service (Source: personal / payroll records and Redundancy Modification Order)

Years	Points
0 and up to 2	+4
over 2 but up to 5	+8
over 5 but up to 10	+12
over 10 but up to 15	+16
more than 15	+20

12.6 Guidance In Scoring Competencies

Consider which of the following sets of description most closely fits the individual. All may not be relevant to a particular job.

Exceptional (10 points)

- Always meets or exceeds the most challenging objectives
- Is an example to others and motivates others to perform well individually or in teams
- Regularly exceeds high quality standards
- Demonstrates a higher level of skill / knowledge than normally expected in comparison to others at the same level
- Can carry responsibilities and achieve excellence at a level greater than currently employed
- Takes on more challenging work than normally expected at this level: given most difficult / complex tasks at this level.
- Is highly innovative
- Significantly enhances the reputation of the organisation.

Fully Effective (7 points)

- Consistently meets all objectives and sometimes exceeds them.
- Delivers to high quality standards
- Establish good working relationships, internally and externally
- Demonstrates effective skills / knowledge / behaviour, sometimes in excess of what is normally expected
- Prioritise work
- Contributes effectively to team on a personal level and encourages others
- Performs effectively with minimum supervision - can be relied upon to deliver. Responds to challenge or dealing with difficult tasks

Effective (5 points)

- Meets most objectives and acts to prevent slippage
- Usually delivers work to agreed or acceptable quality standards
- Has sufficient technical skills, behavioural skills and experience to do the job effectively in most areas, though more time may be needed to develop skills in certain areas
- Can be relied on to get the job done, but may require some guidance when dealing with the unfamiliar
- Generally develops good working relationship, but may sometimes be unaware of wider effect of actions
- Objectives set are in line with normal expectations

Not Effective (0 points)

- Does not achieve targets
- Does not have the skills / knowledge / behaviour to effectively perform in the job
- Rarely delivers to quality standards expected
- Displays poor judgement
- Cannot manage time which has an adverse impact on others
- Does not contribute to team
- Does not develop good working relationships with colleagues / customers
- Cannot be relied upon
- Requires supervision and guidance to a degree that adversely impacts on work of others

Redundancy Selection Assessment Sheet

NAME:		
JOB TITLE:		
LOCATION:		DATE:

This "Detailed Employee Assessment Sheet" is part of the procedure in securing a fair and reasonable decision on the proposed redundancy both for the member of staff and the Valuation Joint Board.

As part of the procedure in selecting one or more members of staff for redundancy, consideration to the following criteria below will be made. Using reasonable objectivity, a weighting will be allocated to each of the areas listed below:

Criterion	Weighting	Score	Comments
Qualifications and Competency:	50		
Attendance (Last 3 yrs):	20		
Disciplinary Record:	10		
Length of Service:	20		
Total	100		

Assessors	Date	Job Title
Signature:		
Signature:		
Reviewer	Date	Job Title
Signature:		

Central Scotland Valuation Joint Board

Voluntary Severance Policy

1.0 Voluntary Severance Policy

1.1 Notes: “Assessor” includes “ERO”

1.2 The Valuation Joint Board recognises that due to financial pressures it may look to achieve reductions in staff costs through the mechanism of Voluntary Severance.

1.3 The Valuation Joint Board will aim to maintain a balanced workforce with the skills, qualifications and competence to ensure effective execution of its and the Assessor’s functions.

1.4 The Assessor will consult with the Staff Consultation Forum in the development and implementation of these procedures. This consultation will commence as early as practicable in the process.

1.7 The Assessor, in conjunction with Human Resources at Clackmannanshire Council will seek applications for voluntary severance from employees.

2.0 Severance Payments Management Guidelines

2.1 Eligible Staff. To be eligible for consideration under this Scheme, members of staff must either be a member of the Local Government Pension Scheme or be eligible to be a member and must be a permanent member of staff.

2.2 The eligibility for pension and compensatory benefits is determined by reference to the age and length of service as follows:

Age at Date of Severance	Length of Service at Date of Severance	Pension Benefits (if applicable)	Compensatory Benefits
50 and over	less than 1 year	Refund of contributions/transfer of contributions	None
50 and over	at least 1 but less than 2 years	Refund of contributions/transfer of contributions	Immediate lump sum payment
55 and over	at least 2 years but less than 5 years	Immediate Pension and Lump Sum	None
55 and over	at least 5 years	Immediate Pension and Lump Sum	Compensatory added years

Aged between 50 and 54 and a member of LGPS on 5th April 2006	at least 2 years but less than 5 years	Immediate Pension and Lump Sum	None
Aged between 50 and 54 and a member of LGPS on 5th April 2006	at least 5 years	Immediate Pension and Lump Sum	Compensatory added years

If a member has more than two years membership and is aged between 50 and 54 and was **not** a member of the LGPS as at 05/04/2006 they would not receive immediate pension benefits but instead would be entitled to a deferred pension payable reduced at age 60 or in full at pensionable age.

Length of service for the purpose of calculating compensatory benefits is continuous local authority service. For the purpose of calculating pension benefits, it is the period of scheme membership together with any transferred in pensionable service.

The maximum number of Compensatory Added Years that can be awarded is the shortest of the following periods:

- The number of years required to make up the persons service to 40 years.
- The period between the date of cessation and the persons 65th birthday.
- A period equal to the person's accrued service.
- 3 years.

Compensatory Added Years in respect of part-time staff will be based on the actual hours worked.

The number of compensatory added years can be reduced or not granted at all in order to ensure that revenue budget saving is achieved within 2 years.

2.3 Calculating the Severance Package

Please see the attached appendix which outlines package based on age and length of service for lump sum payment.

Employees aged from 23 and over to under 50

May receive a lump sum of up to the maximum sum equal to 66 weeks pay.

Employees aged 50 and over and not a member of the pension scheme

Depending on the length of service an employee may receive a lump sum of up to a maximum sum equal to 66 weeks salary.

In addition to one of the above packages, the member of staff may also receive up to 12 weeks' notice dependant on their length of service (one week per year served up to a maximum of 12 weeks). They will be expected to work their notice period. However, by mutual agreement they may be able to waiver or shorten their notice period. Any outstanding annual leave or floating days will require to be taken before the employee leaves the Board's Service.

2.4 Re-Employment

Severance packages are normally justified by demonstrating the Valuation Joint Board will secure a financial benefit. On this basis the employee will be asked to accept that no future employment opportunities will be offered to the employee by the VJB following termination of the current employment.

2.5 Tax and Deductions

2.5.1 A compensatory lump sum may be subject to the deduction of income tax depending on the level of the termination package.

2.5.2 It is a condition of the policy and a term of the employee's contract of employment that any outstanding payments due to the Valuation Joint Board will be deducted from the final salary and/or compensatory package.

3.0 Administration Process

3.1 Introduction.

The following sets out a draft process in the application of the Severance Scheme. The process ensures that the member of staff receives the maximum possible benefits within the boundaries of the Pension Regulations and the financial implications to the Valuation Joint Board.

3.2 The Process

3.2.1 Severance Form and general template letter provided by Human Resources, amended as appropriate by the Assessor, to be disseminated to "staff.

3.2.2 The member of staff submits Severance Form to Human Resources indicating an interest in voluntary severance.

3.2.3 The Assessor decides whether or not the request is eligible for further consideration.

3.2.4 The Assessor will prepare a comprehensive assessment of the service delivery implications which will include proposals on the future execution of the work, to ensure that there is not an unacceptable detrimental effect on existing or future service provision as a result of granting the severance application.

3.2.5 The Assessor consults Human Resources to consider all personnel issues in connection with the potential retiral. .

3.2.6 Human Resources will firstly request information from Clackmannanshire Council Finance Services (Payroll) and then details of the financial implications from the Pensions Section.

3.2.7 The Pensions Section calculates benefits making up the package and forwards the financial implications to Human Resources for onward transmission to services.

3.2.8 The Service accountant and Assessor appraise the financial implications of granting severance based on service requirements, long term financial savings to the Valuation Joint Board, service improvement savings etc, against the Valuation Joint Board Policy.

3.2.9 The Assessor determines final package available to the member of staff in consultation with Human Resources who will advise the Pensions Section. The Assessor's decision is final on the matter and there is no right of appeal.

3.2.10 On obtaining final approval of the package to be offered to the member of staff, the Pensions Section will formally issue an offer to the member of staff.

3.2.11 The member of staff will, within two weeks of receiving the offer, formally notify Human Resources in writing whether the offer is accepted or rejected.

3.2.12 Human Resources advise the Pensions Section of the member of staff's decision and if accepted, confirm termination information.

3.2.13 Human Resources will issue the formal letter confirming the agreed severance arrangements to the member of staff leaving under this policy.

DRAFT

ENHANCED VOLUNTARY SEVERANCE

This calculation can be used for the following :

- (i) Under 50 years of age and a member of the Pension scheme (Pensions funds cannot be accessed)
- (ii) Under 50 years of age and NOT a member of the Pension scheme
- (iii) Over 50 and NOT a member of the Pension scheme

APPENDIX 1

AGE	COMPLETED YEARS SERVICE																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	-	1/2	1/2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	-	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	-	1 1/2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	-	2	2 1/2	3	3	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23	-	4	6	8	10	10	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	-	4	6	8	10	12	12	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	-	4	6	8	10	12	14	14	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26	-	4	6	8	10	12	14	16	16	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	-	4	6	8	10	12	14	16	18	18	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28	-	4	6	8	10	12	14	16	18	20	20	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	-	4	6	8	10	12	14	16	18	20	22	22	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	-	4	6	8	10	12	14	16	18	20	22	24	24	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	-	4	6	8	10	12	14	16	18	20	22	24	26	26	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	-	4	6	8	10	12	14	16	18	20	22	24	26	28	28	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	30	30	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	32	32	-	-	-	-	-	-	-	-	-	-	-	-	
35	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	34	34	-	-	-	-	-	-	-	-	-	-	-	
36	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	36	36	-	-	-	-	-	-	-	-	-	-	
37	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	38	38	-	-	-	-	-	-	-	-	-	
38	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	40	40	-	-	-	-	-	-	-	-	
39	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	42	42	-	-	-	-	-	-	-	
40	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	44	44	-	-	-	-	-	-	
41	-	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	46	46	-	-	-	-	-	
42	-	7	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	51	51	-	-	-	-	
43	-	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	56	56	-	-	-	
44	-	10	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	61	61	-	-	
45	-	10	15	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	-	-	-	-	
46	-	10	15	20	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	-	-	-	-	-	
47	-	10	15	20	25	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	-	-	-	-	-	-	-	
48	-	10	15	20	25	30	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	-	-	-	-	-	-	-	-	
49	-	10	15	20	25	30	35	40	42	44	46	48	50	52	54	56	58	60	62	64	-	-	-	-	-	-	-	-	-	-	
50	5	10	15	20	25	30	35	40	45	47	49	51	53	55	57	59	61	63	65	-	-	-	-	-	-	-	-	-	-	-	
51	5	10	15	20	25	30	35	40	45	50	52	54	56	58	60	62	64	-	-	-	-	-	-	-	-	-	-	-	-	-	
52	5	10	15	20	25	30	35	40	45	50	55	57	59	61	63	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
53	5	10	15	20	25	30	35	40	45	50	55	60	62	64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
54	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
55	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
56	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	MAXIMUM 66 WEEK'S PAY APPLIES					-	-	-	-	-	-	-	-	-
57	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
58	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
59	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
60	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
61	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
63	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
64 *	5	10	15	20	25	30	35	40	45	50	55	60	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Expressed in number of weeks pay

*N.B. Maximum payable must not exceed one week's pay for each complete week between the date of termination and the Employee's Normal Retirement Date .

VOLUNTARY SEVERANCE

Employee Fact Sheet

The Board and the management team in consultation with staff and the Trade Union have been working hard over a number of years to deliver our budget in what has been a challenging financial climate. This challenging environment continues and our priority as an employer is to protect as many jobs as possible and achieve a balanced budget, but in order for us to do this we have to reduce the overall wage bill over the next few years.

We are now in a position where staff if they are interested are invited to put forward their interest in Voluntary Severance to allow the Board to realise efficiency savings in relation to the overall wage bill.

Given continued budget pressures management team are not clear whether the Board will be in a position to sustain further Voluntary Severance on the current terms beyond the proposed round.

If you are, or think that you might be interested in a Voluntary Severance Package then the following process will apply.

- You should complete and submit an expressions of interests form to Diana Kerr, HR Advisor at Clackmannanshire Council.
- If you are eligible to receive your pension Clackmannanshire Council's payroll team will produce a form (S22) which will be sent to the Falkirk Pension scheme in order to obtain the relevant costs.
- If you are eligible to a lump sum this will be calculated by the Clackmannanshire Council's Finance Section.
- Once the costs are received either from our pension provider or Clackmannanshire Council Finance Section these will be shared with you and the Assistant Assessor and Assessor with regards to what your package would be.
- The Assistant Assessor and Assessor will then consider the overall costs and make a decision as to whether or not your application for VS is being accepted.
- The final decision will be taken by the Assessor.

If your VS is approved by the Assessor then HR will then process the necessary paperwork to expedite your VS, they will write to you confirming the details of your VS along with a Settlement Agreement which you must complete prior to leaving your employment. If you do not return the relevant paperwork this will result in your VS application being withdrawn.

This fact sheet has been put together to give you some more information to help you decide about voluntary severance.

VOLUNTARY SEVERANCE

Employee Fact Sheet

Your application for VS will be dependent upon 2 main things:-

- 1) **Service delivery/business need** - i.e. can the Assessor/ERO allow you to leave without seriously affecting service delivery?
- 2) **Affordability** - can the severance costs be recovered within 2 years?

Where a Voluntary Severance form is completed this does not necessarily mean that your application will be accepted, e.g. it may be that your application will still be refused because it would cost too much to let you go.

The deadline for supported applications to be submitted to Diana Kerr at HR is 10th July 2015

How much might you receive under VS?

The severance package will be dependent upon the following:-

- 1 Your age: are you over or under 50 years?
- 2 Your length of Service
- 3 Whether or not you are a member of the Pension Scheme

Severance Package calculations:

1. Employee aged between 23 and under 50 years: Depending on your length of service you may receive a lump sum of up to a maximum sum equal to 66 weeks' salary. As a general rule, the longer your service, the greater the sum. This applies whether or not you are a member of the pension scheme.

2. Employee aged 50 years plus and a member of the pension scheme:

See Table below:

VOLUNTARY SEVERANCE

Employee Fact Sheet

Age at Date of Severance	Length of Service at Date of Severance	Pension Benefits (if applicable)	Compensatory Benefits
50 and over	less than 1 year	Refund of contributions/transfer of contributions	None
50 and over	at least 1 but less than 2 years	Refund of contributions/transfer of contributions	Immediate lump sum payment
55 and over	at least 2 years but less than 5 years	Immediate Pension and Lump Sum	None
55 and over	at least 5 years	Immediate Pension and Lump Sum	Compensatory added years
Aged between 50 and 54 and a member of LGPS on 5th April 2006	at least 2 years but less than 5 years	Immediate Pension and Lump Sum	None
Aged between 50 and 54 and a member of LGPS on 5th April 2006	at least 5 years	Immediate Pension and Lump Sum	Compensatory added years

If a member has more than two years membership and is aged between 50-54 and was not a member of the LGPS as at 05/04/2006 they would not receive immediate pension benefits but instead would be entitled to a deferred pension payable reduced at age 60 or in full at pensionable age.

Length of service for the purpose of calculating compensatory benefits is continuous local authority service. For the purpose of calculating pension benefits, it is period of scheme membership together with any transferred in pensionable service.

The maximum number of Compensatory Added Years that can be awarded is the shortest of the following periods:

- The number of years required to make up the persons service to 40 years.
- The period between the date of cessation and the persons 65th birthday.
- A period equal to the person's accrued service.
- 3 years.

VOLUNTARY SEVERANCE

Employee Fact Sheet

Compensatory Added Years in respect of part-time staff will be based on the actual hours worked.

The number of compensatory added years can be reduced or not granted at all in order to ensure that revenue budget saving is achieved within 2 years.

3. Employee aged 50 yrs plus and not a member of the pension scheme :

Depending on your length of service you may receive a lump sum of up to a maximum sum equal to 66 weeks' salary. As with 1 above, typically the longer your service, the greater the sum. This would not apply if you are a member of the pension scheme.

Standard Conditions:

Notice Period. If you opt for Voluntary Severance you will be entitled to up to 12 weeks notice dependant on your length of service (one week per year served up to a maximum of 12 weeks). You will be expected to work your notice period. However, by mutual agreement you may be able to waiver or shorten your notice period.

Annual Leave. You will be expected to take any outstanding annual leave before your departure.

Board Property. Before you leave you must make sure that all Board property (incl PC, Laptops, Palmtops, Mobile Phones, publications, keys and passes) are returned to your Manager

If you have any questions please contact Jane Wandless (x2204) or Diana Kerr at HR (01259 452180)

Issued by the Assessor

June 2015

AGENDA ITEM 5

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: DRAFT FINANCIAL STATEMENTS as at 31 MARCH 2015
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 19th June 2015
Author: TREASURER

1. INTRODUCTION

- 1.1 The Board is required by law to prepare a statement of accounts in accordance with 'proper practices' which set out its financial position at the end of each financial year. This is defined as meaning compliance with the terms of the Code of Practice in Local Authority Accounting in the United Kingdom prepared by CIPFA/ LASAAC Joint Committee.
- 1.2 The Code specifies the principles of accounting required to give a 'true and fair' view of the financial position and transactions of the Board, following completion of the audit.
- 1.3 The Code is based on International Financial Reporting Standards within a framework of the Government Financial Reporting Manual (FRm).
- 1.4 For the first time, this year, a management commentary has been prepared to ensure compliance with changes specified within The Local Authority Accounts (Scotland) Regulations 2014. The Management Commentary is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. This new requirement sets aside the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the UK (the Code) requirement for an Explanatory Foreword. The new Management Commentary is signed by the Convener of the Board, Assessor and Treasurer.
- 1.5 The Board is legally obliged to complete the draft accounts and submit them by 30th June to the Controller of Audit so that they can be scrutinised by the appointed external auditor for accuracy and completeness.
- 1.5 A final audited set of accounts, and the auditor's report, will be presented to the Joint Board at the next appropriate meeting.

2. BACKGROUND

- 2.1 The accounts have been prepared in accordance with proper practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom*

2013/14. The Financial Statements show the actual figures for 2014/15 and the comparable figures for 2013/14.

- 2.2 The draft surplus on the provision of services reported in the Comprehensive Income and Expenditure Account is £17k. However this includes £243k of accounting adjustments which require to be reversed out in the Movement in Reserves Statement to create a surplus of £260k for the year.
- 2.3 The useable surplus brought forward from previous years is £763k. The surplus achieved in the year is £260k. The surplus carried forward to future years is therefore £1,024K. The balance of £1,024k has been retained as a surplus attributable to constituent authorities in the general fund usable reserve.
- 2.4 The Board has previously approved the ear-marking of £196K for specific projects, and a refund to constituent authorities of £277k as part of the budget process. This has been reviewed and the amount of ear-marked reserves required at the end of the 14-15 financial year is now considered to be £723K. This comprises £196K to fund the 15/16 Budget, £277k refund to constituent authorities, £20K for telephone system, £30k lift renewal and Employment Fund £200k. The balance of un-earmarked reserves is therefore £300K.
- 2.5 The Board's reserves strategy stipulates that it should retain uncommitted reserves at a minimum level of 3% of net expenditure, which as at March 2015 would translate to a figure of £82K. The outturn position is therefore £218K in excess of this minimum reserve figure and represents a level of 10.9%.
- 2.6 As discussed at previous board meetings, reserves will be reviewed in line with saving proposals brought forward over the coming year. Reserves may be required to fund spend to save proposals to allow future reduction in spend.
- 2.7 A summary of the main financial highlights of the year is contained in my report on pages 3 to 12 of the draft accounts.
- 2.8 A statement recording the remuneration paid to senior employees is also included within the accounts.

3. CONCLUSIONS

- 3.1 The Valuation Joint Board has outturned a surplus of £260k which when added to previous surpluses results in a net surplus of £1,023k now being held.

4. RECOMMENDATIONS

- 4.1 The Joint Board is asked to note the 2014/15 Draft Statement of Accounts and agree to their submission to the Controller of Audit

Treasurer
19th June 2015

LIST OF BACKGROUND PAPERS

1. Annual Year End Working Papers.

Any person wishing to inspect the above background papers should contact the Treasurer, Nikki Bridle, on Alloa (01259) 452030.

***CENTRAL SCOTLAND
VALUATION JOINT BOARD***

DRAFT FINANCIAL STATEMENTS

2014/15

CENTRAL SCOTLAND VALUATION JOINT BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS 2014/15

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CENTRAL SCOTLAND VALUATION JOINT BOARD

MEMBERS AND OFFICIALS

CONVENOR

Councillor C MacDonald, Falkirk Council

VICE CONVENOR

Councillor C Holden, Clackmannanshire Council

FALKIRK COUNCIL

Appointed Members:-

Councillor G Hughes
Councillor A Mahoney
Councillor C Meiklejohn
Councillor R Murray
Councillor A Nimmo
Councillor A Turner

STIRLING COUNCIL

Appointed Members:-

Councillor N Benny
Councillor M Brisley
Councillor C McChord
Councillor S Paterson

CLACKMANNANSHIRE COUNCIL

Appointed Members:-

Depute Provost D Balsillie
Depute Provost I Hamilton

OFFICIALS

Assessor	-	Peter Wildman
Clerk	-	Rose Mary Glackin
Treasurer	-	Nikki Bridle

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15

Introduction

This commentary sets the scene and context for the Financial Statements for Central Scotland Valuation Joint Board (the Board) for the year ended 31 March 2015. This commentary provides specific details in relation to the Board's financial position, its priorities and performance and our strategies and plans for achieving these objectives. This is the first year that the Board has prepared a management commentary to ensure compliance with changes specified within The Local Authority Accounts (Scotland) Regulations 2014. The Management Commentary is required to present the collective view of those charged with governance and apply relevant sections of the Companies Act 2006 in respect of the preparation of a Strategic Report. This new requirement sets aside the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the UK (the Code) requirement for an Explanatory Foreword. The Annual Accounts have been compiled in accordance with The Code requirements which governs the format and content contained within them.

Strategic context

Central Scotland Valuation Area covers three council areas of Clackmannanshire, Falkirk and Stirling. The Board employs 51 staff who are based in Stirling at the administrative Headquarters, Hillside House. The Board comprises 15 elected members drawn from the three constituent authorities of Falkirk, Stirling and Clackmannanshire Councils. The Board Convener is Councillor MacDonald from Falkirk Council and the Vice Convener, Councillor Holden from Clackmannanshire Council.

The Valuation Joint Board appoints an Assessor for the Valuation Area and bears the costs of carrying out the statutory duties. The three Councils have also appointed the Assessor as Electoral Registration Officer. The Assessor is Peter Wildman.

The Board is supported by its Clerk, Rose Mary Glackin from Falkirk Council and its Treasurer, Nikki Bridle from Clackmannanshire Council. Finance, Legal and HR services are currently provided by Clackmannanshire Council.

The Assessor has three core statutory duties. These are:

1. Valuation of Lands and Heritages

The Valuation Roll contains every non-domestic property (unless exempted by statute) in the Valuation Area showing the rateable value of the property. Rateable value is effectively the estimated rental value of the property. There are 11,368 non-domestic properties in Central Scotland with a total rateable value of just under £325 million. The Roll includes commercial properties like shops and offices, industrial properties from small workshops to giants like the petrochemical works and the refinery at Grangemouth, and publicly owned properties such as schools and sport centres. The Assessor maintains survey records of each property and is obliged by law to carry out regular revaluations of non-domestic properties. The next revaluation is due in April 2017. Between revaluations the Assessor must maintain the Roll to reflect new and altered properties. Work is now ongoing to prepare for the 2017 Revaluation. This is a major project for the department, work is shared with the other Assessors in Scotland to ensure maximum efficiency and avoid duplication.

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

The vast majority of valuation appeals from the 2005 Revaluation have been dealt with. There are a few appeals from the 2005 Revaluation still to be heard by the Lands Tribunal. Significant progress has been made during 2014/15 to deal with the appeals from the 2010 Revaluation. Of the original 3,532 properties under appeal 39 properties remain under appeal at the end of March 2015. The appeals on these properties have all been referred to the Lands Tribunal for determination.

2. **Compiling the Valuation List**

All domestic properties are shown in the Valuation List. The Assessor places every domestic property in a valuation band based on the capital value that the property would have had at April 1991 and in line with statutory assumptions. The pace of new building has levelled and is beginning to show signs of an increase. There are now over 137,000 domestic properties on the Council Tax Valuation List in Central Scotland. The Assessor via the Scottish Assessors Association is contributing to the review of Local Government Taxation.

3. **Compiling the Register of Electors**

The Register of Electors is published annually and is a listing of every declared eligible elector in each local authority area set against the local address that satisfies the residence qualification. The Register is used for all Local Government, United Kingdom, Scottish and European Parliamentary Elections. It is also used for Community Councils' elections and for referendums. In combination with data from other Electoral Registration Officers it is used to compile a register as required for National Park Elections. The Electoral Registration Officer is also required to publish an Open Register and to maintain Absent Voter Lists.

The last annual canvass under the former legislation was carried out between October 2013 and the publication of the new Register on 10 March 2014. This canvass also for the first time included collecting details of young voters in preparation for the Register of Young Voters that was used at the Scottish Independence Referendum on 18 September 2014. This reflected the reduction in voting age for the Referendum to 16 years. The level of public engagement with the referendum was significant with very large numbers of people applying to register ahead of the Referendum and there was also a significant increase in postal and proxy vote applications.

On 19 September 2014 Individual Electoral Registration was implemented. This represents a fundamental change in Electoral Registration and has involved upgrading IT systems and the training of staff in the new procedures and processes. As part of the transition process all existing electors were matched against government records. We achieved a 93% match rate which is one of the highest in the UK. All those electors who had matched were written to individually to advise that they had transitioned successfully. Those who had not transitioned were invited to apply to register. We also sent Household Enquiry Forms to every residential property where there were no electors registered and to those properties that had not made a return for two years. Every Invitation to Register and every Household Enquiry Form must be followed up with two reminders and a personal visit. This has significantly increased the administrative and postage costs of electoral registration. The new Register was published on 27 February 2015 and the number of electors now stands at over 216,000.

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

The financial year 2014/15 was a significant year for Electoral Registration. It saw the department deal with the European Parliament Election in May 2014, the Loch Lomond and Trossachs National Park Election in July 2014 and the Scottish Independence Referendum in September 2014. The latter event resulted in a significant number of electors registering ahead of the deadline. The contingency arrangements of using the valuation staff to assist with the registration process worked well and all applications were processed timeously. All of these significant events took place without any significant issues arising, though the Board keeps under review any matters arising in order to continuously refine and improve on its processes where possible. Key learning points from this recent activity includes the need for constant monitoring of registration work at an early stage ahead of an electoral event so that contingency measures can be introduced early.

In common with other public sector organisations, the Board has seen additional expenditure pressures arising from legislative changes such as the implementation of Individual Electoral Registration at the same time as the anticipated funding level is set to reduce. Work is also now ongoing to prepare the 2017 Non Domestic Revaluation. The Board also has to ensure that it complies fully with Data Protection, Freedom of Information, Equalities and Records Management Duties.

Strategic Financial Planning

In the approved Budget, set in January 2015, the medium term forecast suggests an anticipated funding gap of £387k by 2017/18 and for the first time in recent years, for 2015/16, the Board utilised £196k of reserves in setting its budget.

The Assessor/Electoral Registration Officer is taking steps to ensure that the Board's cost base is sustainable for the medium to long term. In March 2015, he submitted Phase 1 of an organisational restructure which is focused on ensuring that structures remain efficient and fit for purpose against the backdrop of reducing financial resources. The proposals approved by the Board in March 2015 focussed on senior management restructuring, resulting in a saving of £55k. During 2015/16, the remaining parts of the organisational structure will be reviewed and proposals brought forward to the Board for approval as appropriate. This work includes the proposals for the implementation of the Voluntary Severance Policy which will be submitted for approval by the Board at its meeting on 19th June 2015. These priorities and actions are all reflected in the Management Team's three year service plan.

The financial position presented in the financial statements provides us with a platform from which to address the challenging times ahead and support the necessary transition to new, more efficient models of service delivery for the future.

Business Performance

The Board receives and monitors performance on a regular basis. The current arrangements have been in place since the core indicators were agreed with the Scottish Government and Accounts Commission in October 2000. Reports also include trend information covering the previous three year's performance. Key performance indicator performance against targets for the last three years are set out in Exhibit 1 below. The Annual Public Performance Report is also published on the Assessors' Portal at www.saa.gov.uk.

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

The ERO also met the performance standards set by the Electoral Commission.

Exhibit 1: Performance against key targets 2012/13 to 2014/15

Amendments to the Valuation roll (Non Domestic) as a % of all changes						
Indicator	2012/13 Target %	2012/13 Actual %	2013/14 Target %	2013/14 Actual %	2014/15 Target %	2014/15 Actual %
Changes made in less than 3 months	82	81	82	76	82	81
Changes made in less than 6 months	93	93	93	90	93	89
Changes made in more than 6 months	7	7	7	10	7	11
New entries on the Valuation List (Domestic) as a % of all entries						
Indicator	2012/13 Target	2012/13 Actual	2013/14 Target	2013/14 Actual	2014/15 Target	2014/15 Actual
In less than 3 months	96	98	97	96	97	97
In less than 6 months	99	100	99	99	99	99
In more than 6 months	1	-	1	1	1	1

Targets for 2015/16 have also been proposed based on consolidating the historic trend of high performance. However, one area the Board may look at in the future is the cost of maintaining these levels of performance and whether there is the potential to reduce costs by taking explicit decisions to reduce service standards. Should such proposals be considered, these would involve consultation with our key partners and stakeholders. It should be noted that all the functions of the Assessor and ERO are statutory and prescribed.

Financial Performance 2014/15

The Financial Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and they present a true and fair view of the financial position of the Board and its income and expenditure for the year ended 31 March 2015. A brief explanation of each statement and its purpose is provided on page 25. An Annual Governance Statement is also provided at page 14 and a Remuneration Statement is included at page 17.

The surplus on the provision of service for the financial year reported in the Comprehensive Income and Expenditure Account is £17k (p21). However this takes account of £243k of adjustments between the accounting and funding basis. When these are added to the surplus shown in the Comprehensive Income and Expenditure Account the net useable surplus available is £260k. This is the amount that that is available to meet future capital and revenue expenditure.

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

The usable surplus brought forward from previous years is £763k. The usable surplus achieved in the year, per above, is £260k. The surplus carried forward to future years is therefore £1,023k. The balance of £1,023k has been retained as a surplus attributable to the constituent authorities in the general fund usable reserve. This position is summarised in Exhibit 3 below:

Exhibit 3: 2014/15 Summary of Central Scotland Valuation Joint Board reserves

	Usable reserves Balance £000
Opening Balance as at 1 April 2014	763
Enhancements (Utilisation)	0
Transfers	260
Annual Interest	0
Closing Balance as at 31 March 2015	1,023

A comprehensive analysis of the Council's reserves is provided in the Movements in Reserves Statement on page 20 and supporting notes. It will be noted that total usable reserves have increased from £0.763m at March 2014 to £1.023m at March 2015.

Of the £1.023m balance at 31st March 2015, £0.723m is earmarked for specific purposes. The committed balance can be summarised as follows:

Exhibit 4: Committed reserves 2014/15

	Total £000
Refund of Reserves to Constituent Authorities	277
15/16 Budget Funding	196
Telephone System Investment	20
Lift Renewal	30
Employment Fund*	200
Net Committed Reserves	723

*Subject to approval of the Voluntary Severance Policy & establishment of Employment Fund on separate paper 19th June 2015.

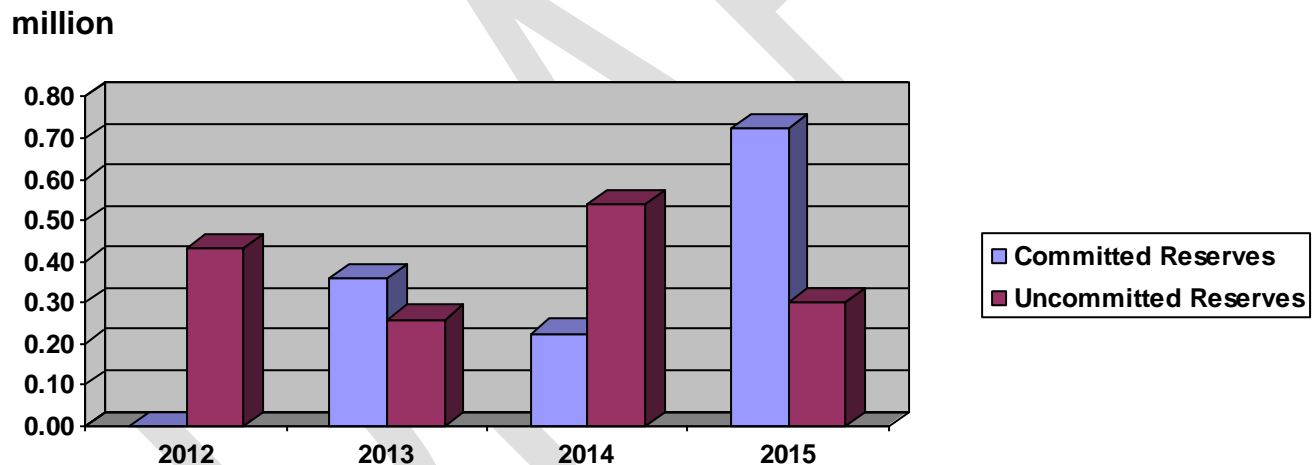
CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

The Board's Reserves Strategy stipulates that it should retain uncommitted reserves at a minimum level of 3% of net expenditure. The current reserves represent a level of 10.9%. This is a temporary and transitional position and during 2015/16 the necessity for the level of transitional earmarked funding will be refined in line with the Management Team's ongoing work to restructure the organisation and review the operational cost base. In acknowledgement of this transitional phase, Exhibit 4 includes a sum of £277k 'refund' of contributions to the Board's three constituent authorities. Once the Management Team's review of cost sustainability is complete, further disbursements to the three constituent authorities are likely to be appropriate. Earmarked reserves also provide £200k to implement an Employment Fund which will be used to meet any employment costs such as severance or training costs associated with a managed contraction in staffing and/or completion of the organisational structure review.

The movement in the Council's reserve position over the last three years (trend) is shown below:

Exhibit 5: Trend in reserves position 2011/12-2013/14



CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

Financial ratios

The Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance Section recommends that certain “financial ratios” are included in the Management Commentary to assist the reader to assess the performance of the Council over the financial year and of the affordability of its ongoing commitments. The following table provides the indicators with an explanation of each, grouped into CIPFA categories for the various areas of financial activity.

Financial Indicator	Commentary	2014-2015
Reserves		
Uncommitted General Fund Reserve as a proportion of Annual Budgeted Net Expenditure	Reflects the level of funding available to manage financial risk/unplanned expenditure. The Board's Policy is 3% of annual turnover which is considered appropriate in the context of the Board's financial and ongoing risk profile. A temporary increase in this level is commented on in the Financial performance section above.	10.9%
Movement in the Uncommitted General Fund Balance	Reflects the extent to which the Council is using its Uncommitted General Fund Reserve.	(79.4)%
Financial Management		
Actual Outturn compared to Budgeted Expenditure	How closely expenditure compares to the budget is a reflection of the effectiveness of financial management. This indicator is based on the format of budget monitoring as reported throughout the year	89.8%

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

Capital Expenditure

The Prudential Code for Capital Finance in Local Authorities governs the level of capital expenditure taking into account affordability, sustainability, the management of assets and the achievement of strategic objectives. It is the duty of the Board to determine and keep under review the maximum amount that it can afford to allocate to capital expenditure together with the associated revenue implications. In 2014/15, the Board invested £37k in computer equipment which meets the definition of capital expenditure. The costs of this investment were met by Capital from Current Revenue contributions (CFCR), ie. from usable reserves. The new asset is reflected in the Board's Balance sheet as an addition under Property, Plant and Equipment.

Net Pension Liability

Pension Fund reporting regulations require an annual valuation by fund actuaries. The calculation at March 2015 disclosed a deficit of £2.321m. The calculation is prepared for the purposes of International Accounting Standard 19 (IAS 19) reporting requirements and is not relevant for funding purposes. This is simply a snapshot of the position at that time. The latest long-term triennial funding valuation of the Fund for the purpose of setting employers' actual contributions was at 31 March 2014 and contributions to the fund continue in line with current actuarial advice which is consistent with our planned annual stepped increases until March 2019.

The pension deficit records a deterioration of £2.013m on the position recorded in March 2014 because the financial assumptions are less favourable than last year.

Business Environment and Risks

During 2014/15, there remained an ongoing weakness in the economic recovery across Europe, though the immediate concerns about European banking systems and sovereign debt have continued to recede.

Whilst the UK economy has now started to show signs of growth, the Office for Budgetary Responsibility (OBR) forecast indicates a similar profile on austerity measures to that outlined previously: significant reductions of around 5% (real terms) in public sector expenditure in 2016/17 and 2017/18. However, the position for 2019/20 has changed: previously, these reductions were forecast to continue in 2019/20, whereas the position has now been revised to suggest a 4% real terms increase in public sector expenditure during this period.

A key challenge during this period is developing and sustaining medium to longer term financial planning. A key area of uncertainty for the Board remains the future levels of grant funding it will receive given the continuation of annual settlement notifications to its constituent authorities which provide the greatest proportion of its total income. Additionally as individual councils move from a real terms to cash reduction situation in the level of funding they anticipate in the next few years, this places additional pressure on the Board to reduce its operating costs and provide a reduction in the level of council contributions required in future years.

Following the UK Budget announcement on the 18th March, inflation as measured by the Consumer price Index (CPI) is forecast to bottom out at 0.2% in 2015 and then gradually increase back to its 2% target by 2019. Correspondingly interest rates are expected to rise from 0.6% in 2015 to 1.9% in 2019/20.

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

Given this operating context, the preparation of medium to long term financial plans are subject to a number of key risks and uncertainties which will have an impact on budget assumptions. With funding at best, static and the prospect of cash reductions in the next few years, managing the effects of inflation, given the indications are that both RPI and CPI will now start to increase, will be a challenge for the public sector. RPI inflation levels are one of the main factors which impacts many public sector contracts for the delivery of goods and services. This must be considered alongside the prospect of raised expectations in respect of continuing wage inflation in 2015/16 and beyond, following pay restraint in recent years, alongside increasingly frequent reports of above inflation pay inflation in the private sector.

The Board has to manage the financial and service delivery risks associated with the impact of real and potential cash term reductions in public sector funding, balanced against increasing demands for services and new responsibilities. The Board also has other external factors which are likely to influence the availability of funding for the public sector including elections in each of the next two years and the introduction of a Single Tier Pension Scheme in 2016 affecting employers' national insurance contributions.

The Annual Governance Statement (AGS) details the Board's corporate governance arrangements and its arrangements for the management of risk have also been reviewed and reported to the Board at its meeting on the 19th June 2015. The AGS explains the system of internal control and highlights the key areas for improvement actions arising from the ongoing review of these arrangements, alongside the Management Team's regular review of the Board's Risk Register.

Plans for the Future

The combination of anticipated cost pressures, coupled with reduced income presents significant challenges and financial risks to the Board over the medium term. It is recognised that the scale of the financial challenge will require a fundamental review of aspects of service delivery if the Board is to maintain its financial stability moving forward. This is more challenging given the high proportion of total expenditure which relates to premises costs and the costs of employment and the statutory nature of the Assessor and ERO duties. The ongoing funding pressures highlight the need for the Board to maintain stringent financial control and to continue to drive out efficiencies through the budget process.

Looking ahead, key priorities for the Assessor and ERO include the successful delivery of the 2017 Non Domestic Revaluation and changes to the registration framework to facilitate the reduction in the franchise age to 16 for the Local Government Register in Scotland. The focus will also be on increasing the efficiency of Individual Electoral Registration within the confines of a prescriptive statutory framework.

A review of the Records Management provisions within the Board is also planned to ensure that it is operating efficiently and effectively.

Where to Find More Information

An explanation of the financial statements which follow and their purpose is shown at the top of each page. Further information about the Central Scotland Valuation Joint Board can be found at www.centalscotland-vjb.gov.uk.

CENTRAL SCOTLAND VALUATION JOINT BOARD

MANAGEMENT COMMENTARY 2014/15 (continued)

Acknowledgements

We would like to take this opportunity to acknowledge the significant effort in producing the Annual Accounts and Annual Governance Statement and to record our thanks to our colleagues for their continued hard work and support. We greatly appreciate the significant efforts of all who were involved.

Charles MacDonald
Convenor of the Board
19th June 2015

Peter Wildman
Assessor
19th June 2015

Nikki Bridle
Treasurer
19th June 2015

CENTRAL SCOTLAND VALUATION JOINT BOARD

STATEMENT OF RESPONSIBILITIES

The Valuation Joint Board's responsibilities

The Joint Board is required:-

- (1) to make arrangements for the proper administration of its financial affairs, and to ensure that one of its officers has responsibility for the administration of those affairs. In respect of the Valuation Joint Board that officer is the Treasurer.
- (2) to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Valuation Joint Board's Annual Report and Financial Statements which, in terms of the CIPFA / LASAAC Code of Practice on Local Authority Accounting in Great Britain, is required to present a true and fair view of the financial position of the Valuation Joint Board at the accounting date and its income and expenditure for the year then ended.

In preparing the Annual Report and Financial Statements, the Treasurer has:

- (1) selected suitable accounting policies and then applied them consistently;
- (2) made judgements and estimates that were reasonable and prudent; and
- (3) complied with the Code of Practice.

The Treasurer has also:

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

The Financial Statements present a true and fair view of the financial position of the Board at the accounting date and its income and expenditure for the year ended 31 March 2015.

Nikki Bridle
Treasurer
19th June 2015

Charles MacDonald
Convenor of the Board
19th June 2015

CENTRAL SCOTLAND VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

The Valuation Joint Board and the Assessor are responsible for ensuring that business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Board and the Assessor have a responsibility to make arrangements to secure continuous improvement in the way in which the organisation's functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Board and Assessor are responsible for putting in place proper arrangements for the governance of the organisation's affairs, and facilitating the effective exercise of their functions, which includes arrangements for the management of risk.

The Board and the Assessor have in place governance arrangements which are consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) Framework 'Delivering Good Governance in Local Government'. These arrangements are defined within the Valuation Joint Board's Code of Corporate Governance. This statement explains how the Board and the Assessor has complied with the Framework.

The purpose of the governance framework

The governance framework comprises the systems and processes and culture and values, by which the organisation is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Board to monitor the achievement of the strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework

The responsibilities of the Valuation Joint Board and the Assessor are laid out in statute. These responsibilities, together with the corporate governance framework, are contained within the Code of Corporate Governance. The Code is further supported by the Standing Orders, Scheme of Delegation, Financial Regulations and Contract Standing Orders. Professional support is provided by Clackmannanshire Council and Falkirk Council on financial and clerk matters, respectively.

CENTRAL SCOTLAND VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT (continued)

In 2014-15 a new Assessor and Electoral Registration Officer was appointed by the Board Appointments Committee. This followed the retirement of the previous post holder in December 2013 and an Acting Assessor and Acting Electoral Registration Officer having been in place as an interim measure. The Assessor is supported in meeting his statutory responsibilities by his Management Team, which has responsibility for all aspects of planning; managing, monitoring and reporting of statutory function, service delivery and performance improvement. In 2014-15 the Assessor completed a review of the management structure which saw the removal of the Depute Assessor post and the enhancement of the existing Assistant Assessor post. It is proposed that the Assistant Assessor be appointed a depute ERO in terms of s52 (2) of the Representation of the People Act 1983.

As part of the restructure the Management Team will be split into a Senior Management Team comprising the Assessor and Assistant Assessor and a wider Management Team to include the Divisional Valuer and Principal Administration Officer. The Senior Team will focus on corporate matters and long term planning. The wider team will focus on operational matters and short to medium term planning.

The Three Year Service Plan is the key corporate tool for making best use of financial, technological, human and other resources available. From the Three Year Service Plan, the annual operational and services plans are prepared with progress monitored by the Management Team. A performance framework is in place with standards and targets in place. Ongoing monitoring against targets is undertaken by the Management Team and Valuation Joint Board.

The Board's financial management arrangements conform to the standards of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Role of Treasurer is fulfilled by the Section 95 Officer from Clackmannanshire Council. The Board approve a financial budget annually, prior to the start of the financial year, and performance against budget is monitored regularly by both the Management Team and the Board.

The Board has an approved Risk Management Strategy, which ensures that key strategic, business and operational risks are defined, monitored and mitigated against. Key business risks are regularly considered and reviewed by both the Management Team and the Board. In relation to the day to day operations, a framework of internal controls is in operation, which further mitigates against risks.

The governance framework has been in place at the Valuation Joint Board for the year ended 31 March 2015 and up to the date of approval of the Annual Report and Financial Statements.

Review of effectiveness

The Board and the Assessor have responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. The process that has been applied in maintaining and reviewing the effectiveness of the governance framework includes the following:

- the internal management processes, including performance, risk and financial management and monitoring;

CENTRAL SCOTLAND VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT (continued)

- an annual self assessment of the adequacy of the governance arrangements;
- work undertaken by Internal Audit during the year, including a review of the Valuation List - Domestic Properties and the follow up of recommendations from the previous governance audit; and
- external audit review of the work of internal audit and comment on the corporate governance, risk management and performance management arrangements.

A plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

I have been advised of the outcome of the review of the effectiveness of the governance arrangements and am satisfied that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. There have been no governance issues identified to date during the year that are considered significant in relation to the overall governance framework. Specific opportunities for improvements in governance and internal control identified as part of the assurance processes detailed above have been addressed or are included in improvement plans allocated to the relevant member of the Management Team.

The key areas for improvement identified during the annual review include:

- ongoing review of governance documents in light of organisational development;
- Business Continuity and Disaster Recovery plans need to be reviewed and tested to ensure currency.
- Records Management Policy requires updating (in conjunction with Falkirk Council)
- Work force planning and retention of knowledge risk arising from VS processes.
- Work associated with identifying 14-15 year olds in order to register 16 year olds for Scottish 2016 elections; and
- consider an SLA covering the services provided by Clackmannanshire.

Signed on behalf of the Valuation Joint Board

Peter Wildman
Assessor
19th June 2015

Charles MacDonald
Convenor of the Board
19th June 2015

CENTRAL SCOTLAND VALUATION JOINT BOARD

REMUNERATION REPORT

All information disclosed in the tables of the remuneration report has been audited by Deloitte LLP to ensure that the information is consistent with the financial statements.

The remuneration of senior officers of the Valuation Joint Board is regulated by The Local Government (Scotland) Act. Section 27/5 states that the Assessor be appointed on reasonable terms by the Valuation Authority. The Local Valuation Joint Board (Scotland) Order 1995 Regulations 2 (2), Section 27 transferred the authority to the Valuation Joint Board. Appointments of Senior Officers are approved by the Board.

The following tables provide details of the remuneration paid to the Board's Senior Employees.

Remuneration of Senior Employees of the Board

Name and Post Title	Salary, fees and allowances £	Taxable Expenses £	Compensation For loss of Employment £	Benefits other than in cash £	Total Remuneration 2014/15 £	Total Remuneration 2013/14 £
B Byrne Assessor (to 31 December 2013)	-	-	-	-	-	68,870
P Wildman Assessor (was acting Assessor from (1 January 2014 to 28 August 2014)	93,181	-	-	-	93,181	22,920
P Wildman Depute Assessor (to 31 December 2013)	-	-	-	-	-	54,549

The senior employees included in the table include any Joint Board employee:

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

The Section 95 Officer is Nikki Bridle, Depute Chief Executive, Clackmannanshire Council. Her remuneration is paid by Clackmannanshire Council.

CENTRAL SCOTLAND VALUATION JOINT BOARD

REMUNERATION REPORT (continued)

Pension Benefits Senior Employees

The pension entitlements of Senior Employees for the year to 31 March 2015 are shown in the table below, together with the contribution made by the Board to each Senior Employees' pension during the year.

Name and Post Title	In-Year pension Contributions			Accrued pension benefits		
	For Year to 31 March 2015 £	For Year to 31 March 2014 £		As at 31 March 2015 £	As at 31 March 2014 £	Difference From 31 March 2014 £
B Byrne Assessor	-	13,774	Pension Lump Sum	- -	48,000 123,000	- -
P Wildman Depute Assessor	19,102	15,414	Pension Lump Sum	32,000 67,000	25,000 55,000	7,000 12,000

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 consequence of their total local government service and not just their current appointment.

Where staff are no longer in employment at 31 March 2015 there is no increase in accrued pension benefit attributable.

Officers' Remuneration

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 were:

CENTRAL SCOTLAND VALUATION JOINT BOARD

REMUNERATION REPORT (continued)

Remuneration band	Number of Employees	
	2014/15	2013/14
£50,000 - £54,999	1	1
£55,000 - £59,999	-	-
£60,000 - £64,999	-	-
£65,000 - £69,999	-	1
£70,000 - £74,999	-	-
£75,000 - £79,999	-	1
£80,000 - £84,999	-	-
£85,000 - £89,999	-	-
£90,000 - £94,999	<u>1</u>	<u>-</u>
	<u>2</u>	<u>3</u>

Termination Benefits and Exit Packages

There were no termination benefits paid or payable during the year (2013/14:£nil).

Senior Councillors

The remuneration of councillors is regulated by the 2007 regulations and these set out the remuneration payable to councillors with a responsibility of Convenor or Vice-Convenor of the Joint Board. The council of which the Convenor or Vice-Convenor is a member is required to pay their total remuneration and is then reimbursed for the element of the payment made on behalf of the joint board.

Name	Council	Position	2014/15 Reimbursement £	2013/14 Reimbursement £
Councillor C McDonald	Falkirk Council	Convenor (from 22 June 2012)	2,230	3,513
Councillor C Holden	Clackmannanshire Council	Vice Convenor (from 7 September 2012)	2,859	1,025

CENTRAL SCOTLAND VALUATION JOINT BOARD

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (those that can be applied to fund expenditure) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the 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. The Net Increase/Decrease shows the statutory General Fund Balance.

	Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 1 April 2013	619	(4,535)	(3,916)
<u>Movement in reserves during 2013/14</u>			
Deficit on provision of Services	(54)	-	(54)
Other Comprehensive Income and Expenditure	-	(308)	(308)
Total Comprehensive Income and Expenditure	(54)	(308)	(362)
Adjustments between accounting basis & funding basis under regulations (note 6)	198	(198)	-
Increase/Decrease in 2013/14	144	(506)	(362)
Balance at 31 March 2014 carried forward	763	(5,041)	(4,278)
<u>Movement in Reserves during 2014/15</u>			
Surplus on provision of Services	17	-	17
Other Comprehensive Income and Expenditure	-	(2,321)	(2,321)
Total Comprehensive Income and Expenditure	17	(2,321)	(2,304)
Adjustments between Accounting basis & funding basis under regulations (note 6)	243	(243)	-
Increase/(Decrease) in Year	260	(2,564)	(2,304)
Balance at 31 March 2015 carried forward	1,023	(7,605)	(6,582)

CENTRAL SCOTLAND VALUATION JOINT BOARD

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

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

2013/14			2014/15		
Gross Expend £000	Gross (Income) £000	Net (Income) £000	Gross Expend £000	Gross (Income) £000	Net (Income) £000
2,585	(2,731)	(146)	2,782	(3,003)	(221)
Cost of Services (A) (note 8)					
	200	Financing Expenditure (note 7)			204
	54	Surplus/Deficit on Provision of Services (note 8)			(17)
	308	Actuarial losses on pension assets/liabilities (note 17)			2,321
	362	Total Comprehensive (Income) and Expenditure			2,304

Cost of Services (A)

All costs flow through the Central Services line at financial statement level, and therefore there is no further breakdown of Service costs.

CENTRAL SCOTLAND VALUATION JOINT BOARD

BALANCE SHEET AS AT 31 MARCH 2015

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net liabilities (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, those reserves that the board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the board is not able to use to provide services. This category of reserves includes 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 Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2014 £000		Note	31 March 2015 £000
41	Property, Plant & Equipment	9	63
<u>15</u>	Intangible Assets	10	<u>10</u>
56	Long Term Assets		73
80	Debtors	11	55
<u>859</u>	Cash and Cash Equivalents – bank current accounts		<u>1,225</u>
939	Current Assets		1,280
<u>(198)</u>	Creditors	12	<u>(277)</u>
(198)	Current Liabilities		(277)
<u>(5,075)</u>	Other Long Term Liabilities – Deficit in pension scheme		<u>(7,658)</u>
(5,075)	Long Term Liabilities		(7,658)
(4,278)	Net Liabilities		(6,582)
763	Usable reserves – General Fund		1,023
<u>(5,041)</u>	Unusable Reserves	13	<u>(7,605)</u>
(4,278)	Total Reserves		(6,582)

The unaudited Financial Statements were issued on 19 June 2015.

Nikki Bridle
Treasurer
19th June 2015

CENTRAL SCOTLAND VALUATION JOINT BOARD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period. 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 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. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (borrowing) to the Board.

2013/14 £000		2014/15 £000
(54)	Net (Deficit)/Surplus on the provision of services	17
282	Adjust net (Deficit)/Surplus on the provision of services for non cash movements (note 14)	386
(5)	Adjustments for items in the net (Deficit) on the provision of services that are investing and financing activities - interest received	(5)
223	Net cash flows from Operating Activities	398
(48)	Investing Activities – Purchase of Equipment	(37)
5	Financing Activities – Interest received – short/long-term borrowing	5
180	Net increase in cash and cash equivalents	366
679	Cash and Cash equivalents at the beginning of the reporting period	859
859	Cash and Cash equivalents at the end of the reporting period	1,225

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

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CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies

a) General Principles

The Statement of Accounts summarises the Board's transactions for the 201/415 financial year and its position at the year-end of 31 March 2015. The Board is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985, section 12 of the Local Government in Scotland Act 2003 requires they 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 2014/15, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost.

b) Accruals of Income and Expenditure

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

- revenue from the sale of goods is recognised when the Board transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Board;
- revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Board;
- expenses in relation to services received (including those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made; and
- where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

c) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Board's cash management.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

d) Changes in Accounting Policies and Estimates and Errors

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 by adjusting opening balances and comparative amounts for the prior year as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, ie, in the current and future years affected by the change.

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

e) Charges to Revenue for Non-Current Assets

The following amounts are debited to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets;
- revaluation and impairment losses on assets used by the Board where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off; and
- amortisation of intangible assets.

The Board is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement depreciation, revaluation and impairment losses and amortisations are therefore replaced by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

f) Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

f) Employee Benefits (continued)

Post Employment Benefits

Employees of the Authority are members of The Local Government Pension Scheme administered by Falkirk Council

This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Joint Valuation Board.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Falkirk pension fund 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, employee turnover rates, etc, and projections of projected earnings for current employees;
- Liabilities are discounted to their value at current prices, using a discount rate based on the gross redemption yield on the iBoxx Sterling Corporate Index, AA cover 15 years;
- The assets of the Falkirk pension fund attributable to the Board are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – current bid price; and
 - property – market value.
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as 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/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Board, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

f) Employee Benefits (continued)

Post Employment Benefits (continued)

- gains/losses on settlements and curtailments – the result of actions to relieve the Board of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Comprehensive Income and Expenditure Statement; and
- contributions paid to the Falkirk pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, 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 pensioners 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 on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Board also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

The Valuation Joint Board is a recognised 'employing authority' within the meaning of the Local Government Superannuation (Scotland) Regulations.

g) Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Board as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Board.

Intangible assets are measured at cost. Amounts are only revalued where the fair value of the assets are held by the Board can be determined by reference to an active market.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

g) Intangible Assets (continued)

The depreciable amount of an intangible asset is amortised over its useful life in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

h) Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Assets are then carried in the Balance Sheet using fair value, the amount determined by that which would be paid for the asset in its existing use (existing use value - EUV) or where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value. The assets within these financial statements are carried at depreciated replacement cost.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

h) Property, Plant and Equipment (continued)

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written-off value of disposals is appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives

i) Reserves

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 in that year to score against the Surplus/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.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources – these reserves are explained in the relevant policies below.

j) Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting Policies (continued)

j) Events After the Reporting Period (continued)

Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events 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.

2) Changes to Accounting Standards

Accounting Standards Adopted in the Year

For 2014/15 there were no accounting policy changes that impacted on the Financial Statements.

Accounting Standards Issued not yet Adopted

The Board must disclose information relating to the impact of an accounting change that will be required by a new Accounting Standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2015/16 Code:

- IFRS 13 Fair Value Measurement (May 2011);
- IFRIC 21 Levies; and
- Annual Improvements to IFRS 2011-2013 Cycle.

The Code requires implementation from 1 April 2015 and there is therefore no impact on the 2014/15 Financial Statements.

IFRS 13 provides a common definition of fair values which takes into account the characteristics of the assets or liabilities which would be considered by market participants in determining the price of the asset or liability.

IFRIC 21 Provides guidance on when to recognise a liability for a levy imposed by a government.

IFRS Improvements are generally minor, principally providing clarification. Overall these new or amended standards are not expected to have a significant impact on the Financial Statements.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

3) Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Financial Statements is:

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

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 about the future or that which 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 2015 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<u>Item</u>	<u>Uncertainties</u>	<u>Effect if Actual Results Differ from Assumptions</u>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in a increase in the pension liability of £2.030m, and a 1 year increase in member life expectancy would result in an increase in the pension liability of £0.642m.

5) Events after the Reporting Period

The unaudited Financial Statements were authorised for issue by the Treasurer on 19 June 2015. Events taking place after this date are not reflected in the Financial Statements or Notes.

There have been no material events since the date of the Balance Sheet which necessitates revision to the figures in the Financial Statements or notes thereto.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

6) Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure.

2014/15

Usable Reserves

	General Fund Balance £000	Movement in Unusable Reserves £000
Adjustments involving the Capital Adjustment Account:		
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>		
Charges for depreciation and impairment of non-current assets	(20)	20
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</u>		
Capital expenditure charged against the General Fund	37	(37)
Adjustments involving the Pensions Reserve:		
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 16)	(533)	533
Employer's pensions contributions and direct payments to pensioners payable in the year	271	(271)
Adjustment involving the Accumulating Compensated Absences Adjustment Account :		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	(2)
Total Adjustments	(243)	243

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

6) Adjustments between Accounting Basis and Funding Basis under Regulations (continued)

2013/14

Usable Reserves

	General Fund Balance £000	Movement in Unusable Reserves £000
Adjustments involving the Capital Adjustment Account:		
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>		
Charges for depreciation and impairment of non-current assets	(11)	11
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement</u>		
Capital expenditure charged against the General Fund	48	(48)
Adjustments involving the Pensions Reserve:		
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 16)	(499)	499
Employer's pensions contributions and direct payments to pensioners payable in the year	268	(268)
Adjustment involving the Accumulating Compensated Absences Adjustment Account :		
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(4)	4
Total Adjustments	(198)	198

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

7) Financing and Investment Income and Expenditure

2013/14 £000		2014/15 £000
205	Pensions interest cost and expected return on pensions assets	209
(5)	Interest receivable and similar income	(5)
<hr/> 200 <hr/>		<hr/> 204 <hr/>

8) (Surplus)/ Deficit on Provision of Services

Amounts Reported for Resource Allocation Decisions

As the Valuation Board operates as a single entity, the reporting during the year is that specified by the Service Reporting Code of Practice (SERCOP). Thus there is no requirement to include a reconciliation between that reported during the year and that reported in the Comprehensive Income and Expenditure Statement.

Within Continuing Operations costs there are costs included of £18k (2013/14: (£15k) that were not reported during the in-year monitoring. These are as a result of Capital Financing Costs, £20k (2013/14: £11k) and Compensating Absences Account Adjustments, (£2k) (2013/14: £4k).

Within the accounts are the costs and related income of the Portal. The Portal is a website administered by all Assessors in Scotland that provides information on Valuation Rolls and Council Tax lists. Costs are fully met by income therefore there is no impact on the bottom line of the VJB accounts.

The following costs incurred by the Portal are included in the table below; Supplies and Services costs of £158k for Professional Fees . These costs are fully offset by income of £158k having no impact on the overall Deficit for the Board in the year.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

8) (Surplus)/ Deficit on Provision of Services (continued)

	2013/14 £000	2014/15 £000
Gross Expenditure		
Staff Costs	1,778	1,818
Property Costs	231	232
Transport Costs	27	24
Supplies & Services	456	602
Third Party Payments	17	15
Support Services	65	71
Capital Financing Costs	11	20
	<hr/>	<hr/>
Continuing Operations	2,585	2,782
Income		
Sales of Electoral Roll	(4)	(6)
Sales of Valuation Roll	-	(26)
Grant Income		(55)
Other Income	(178)	(377)
Council Contributions	(2,549)	(2,539)
	<hr/>	<hr/>
	(2,731)	(3,003)
Net Income	(146)	(221)
Financing Expenditure (note 7)	200	204
	<hr/>	<hr/>
(Surplus)/ Deficit on Provision of Services	54	(17)
	<hr/>	<hr/>

CENTRAL SCOTLAND VALUATION JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS (continued)

9) Property, Plant and Equipment

	2013/14	2014/15
	£000	£000
Opening Gross Book Value	271	133
Additions	33	37
Disposals	(171)	-
	<hr/> 133	<hr/> 170
Accumulated Depreciation		
Opening Depreciation	252	92
Depreciation for the year	11	15
Disposals	(171)	-
	<hr/> 92	<hr/> 107
Total Accumulated Depreciation		
	<hr/> 92	<hr/> 107
Net Book Value at 31 March	<hr/> 41	<hr/> 63

Depreciation

Within Property Plant and Equipment the Board holds computer equipment, furniture and other equipment. The deemed useful life and depreciation rate for these assets is 3 years.

Disposals

A review was undertaken within the year of assets held and as a result of this review several tangible and intangible assets which are no longer utilised have been written off.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

10) Intangible Assets

The Board accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use. The useful life assigned to the new software purchase in the year is three years and the carrying amount of intangible assets is amortised on a straight-line basis.

There were no additions or disposals of assets in the year.

Software	2013/14	2014/15
	£000	£000
Opening Gross Book Value	84	89
Additions	15	-
Disposals	(11)	-
	<hr/>	<hr/>
Closing gross book value	88	89
	<hr/>	<hr/>
Accumulated Amortisation		
Opening amortisation	84	74
Amortisation for the year	-	5
Disposals	(11)	-
	<hr/>	<hr/>
Total Accumulated Amortisation	73	79
	<hr/>	<hr/>
Net Book Value at 31 March	15	10
	<hr/>	<hr/>

CENTRAL SCOTLAND VALUATION JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS (continued)

11) Debtors

31 March 2014 £000		31 March 2015 £000
33	Central government bodies	-
1	Other local authorities	-
46	Other Entities and individuals	55
<u>80</u>	Total	<u>55</u>

12) Creditors

31 March 2014 £000		31 March 2015 £000
55	Central government bodies	80
39	Other local authorities	35
104	Other entities and individuals	162
<u>198</u>	Total	<u>277</u>

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

13) Unusable Reserves

31 March 2014 £000		31 March 2015 £000
56	Capital Adjustment Account	73
(5,075)	Pensions Reserve	(7,658)
(22)	Accumulating Compensated Absences Adjustment Account	(20)
(5,041)	Total Unusable Reserves	(7,605)

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 a historical cost basis). The Account is credited with the amounts set aside as finance for the costs of acquisition, construction and enhancement.

Note 6 provides details of the source of all the transactions posted to the Account.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

13) Unusable Reserves (continued)

Capital Adjustment Account

2013/14 £000		2014/15 £000
19	Balance at 1 April	56
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(11)	- Charges for depreciation and impairment of non current assets	(20)
48	- Capital Expenditure charged against the General Fund	37
<hr/> 56	Balance at 31 March	<hr/> 73

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 investments 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.

2013/14 £000		2014/15 £000
(4,536)	Balance at 1 April	(5,075)
(308)	Actuarial gains or (losses) on pensions assets and liabilities	(2,321)
(499)	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	(533)
268	Employer's pensions contributions and direct payments to pensioners payable in the year	271
<hr/> (5,075)	Balance at 31 March	<hr/> (7,658)

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

13) Unusable Reserves (continued)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account represents holiday entitlement earned but not yet taken and absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2013/14 £000	2013/14 £000		2014/15 £000	2014/15 £000
	(18)	Balance at 1 April		(22)
18		Settlement or cancellation of accrual made at the end of the preceding year	22	
(22)		Amounts accrued at the end of the current year	(21)	
	(4)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		2
	(22)			(20)

14) Non Cash Movements

2013/14 £000		2014/15 £000
(11)	Depreciation	(20)
(49)	Movement in Creditors	(79)
9	Movement in Debtors	(25)
(231)	IAS19 Adjustments	(262)
(282)	Net cash flows from non cash movements	(386)

CENTRAL SCOTLAND VALUATION JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS (continued)

15) Material Items of Income and Expense

Council Contributions

2013/14		2014/15
£000		£000
(1,256)	Falkirk Council %	(1,251)
(899)	Stirling Council %	(895)
(394)	Clackmannanshire Council %	(393)
<u>(2,549)</u>		<u>(2,539)</u>

16) External Audit Costs

2013/14		2014/15
£000		£000
7	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	7
<u>7</u>		<u>7</u>

CENTRAL SCOTLAND VALUATION JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes

Participation in pension schemes

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 employees retire, the Board has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Board participates in two post employment schemes:

- The Local Government Pension Scheme, administered locally by Falkirk Council – this is a funded defined benefit final salary scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Transactions relating to post employment benefits

The Board recognise the cost of retirement benefits are recognised 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 the Board are required to make is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

	Local Government Pension Scheme	
	2013/14 £000	2014/15 £000
Comprehensive Income and Expenditure Statement		
<i>Cost of Services</i>		
• current service cost	294	324
• past service costs	-	-
<i>Financing and Investment Income and Expenditure</i>		
• Interest expense - defined benefit obligation	756	731
• Interest income on scheme assets	(551)	(522)
<i>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</i>	499	533
<i>Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</i>		
Re-measurement of the net defined benefit liability comprising		
• return on pension fund assets (excluding interest income above)	(287)	(621)
• Actuarial losses arising on changes in financial assumptions	594	1,796
• Actuarial (gains) arising on changes in demographic assumptions	-	(249)
• Other experience (gains)/losses	1	1,395
<i>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</i>	807	2,854
Actuarial (gains) or losses on pension fund assets and liabilities	308	2,321

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

	Local Government Pension Scheme	
	2013/14 £000	2014/15 £000
<i>Movement in Reserves Statement</i>		
<ul style="list-style-type: none"> reversal of net charges made to the Total Comprehensive Income and Expenditure Statement for post employment benefits in accordance with the Code 	(499)	(533)
	—	—
<i>Actual amount charged against the General Fund</i>		
<i>Balance for pensions in the year:</i>		
<ul style="list-style-type: none"> employers contributions payable to scheme 	268	271
	—	—

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2013/14 £000	2014/15 £000
Present value of the defined benefit obligation*	(17,975)	(21,393)
Fair value of pension fund assets	12,900	13,735
Net Liability arising from Defined Benefit Obligation	(5,075)	(7,658)

* unfunded liabilities included in the figure for present value of liabilities

Unfunded liabilities for Pension Fund	443	415
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The liabilities show the underlying commitments that the Board has in the long run to pay post employment (retirement) benefits. The total liability of £7.658m has a substantial impact on the net worth of the Board as recorded in the Balance Sheet, resulting in an overall negative balance of £6.582m. However, statutory arrangements for funding the deficit means that the financial position of the Board remains healthy:

- the deficit on the scheme will be made good by increased contributions over the remaining working life of employees (i.e., before payments fall due), as assessed by the scheme actuary; and
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

A reconciliation of the Board's share of the present value of Falkirk Pension Fund's defined benefit obligation (liabilities) is as follows:

	2013/14 £000	2014/15 £000
Opening balance at 1 April	(16,955)	(17,975)
Current service cost	(294)	(324)
Interest cost	(756)	(731)
Contributions by scheme participants	(81)	(79)
Re-measurement gains and (losses)		
Actuarial gains from change in demographic assumptions	-	249
Actuarial (losses) from change in financial assumptions	(594)	(1,796)
Actuarial (losses) from other experiences	(1)	(1,395)
Benefits paid	706	658
Closing value at 31 March	(17,975)	(21,393)

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

	2013/14 £000	2014/15 £000
Opening fair value of pension fund assets	12,419	12,900
Interest Income	551	522
Return on pension assets (excluding amounts included in net interest)	287	621
Contributions from employers	268	271
Contributions by employees into the scheme	81	79
Benefits paid	(706)	(658)
Closing fair value of pension fund assets	12,900	13,735

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

Analysis of Pension Fund Assets

The Board's share of the Pension Fund's assets at 31 March 2015 comprised:	31 March 2014	31 March 2015
Equity instruments (by industry type)		
- Consumer	1,295	1,329
- Manufacturing	763	819
- Energy & Utilities	670	541
- Financial Institutions	1,077	1,003
- Health & Care	844	713
- Information Technology	388	554
- Other	331	237
Sub Total Equity	5,368	5,196
Property (by type)		
- UK	856	988
- Overseas	67	48
Sub Total Property	923	1,036
Private Equity		
- UK	686	795
Sub Total Private Equity	686	795
Other Investment Funds		
- Equities	2,861	2,953
- Bonds	1,095	1,220
- Infrastructure	262	346
- Other	1,321	1,606
Sub Total Other Investment Funds	5,539	6,125
Cash and cash equivalents	384	583
Total Assets	12,900	13,735

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

Basis for Estimating Assets and Liabilities

The Board's share of the net obligations of the Falkirk Pension Fund is an estimated figure based on actuarial assumptions about the future and is a snapshot at the end of the financial year. The net obligation has been assessed using the "projected unit method", that estimates that the pensions will be payable in future years dependant upon assumptions about mortality rates, salary levels and employee turnover rates.

The fund's obligation has been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the fund at 31 March 2014 updated through to March 2015. The significant assumptions used by the actuary are shown in the table below. The note includes a sensitivity analysis for the pension obligation based on reasonably possible changes in these assumptions occurring at the reporting date.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2013/14	2014/15
Long-term expected rate of return on assets in the scheme:		
Equity investments	4.1%	3.2%
Bonds	4.1%	3.2%
Property	4.1%	3.2%
Cash	4.1%	3.2%
Mortality assumptions:		
Longevity at 65 for current pensions		
- Men	23.0 years	22.1 years
- Women	25.8 years	23.8 years
Longevity at 65 for future pensioners		
- Men	24.9 years	24.3 years
- Women	27.7 years	26.3 years
Rate of inflation	2.6%	2.4%
Rate of increase in salaries	4.9%	3.8%
Rate of increase in pensions	2.6%	2.4%
Rate for discounting scheme liabilities	50	4.1%
		3.2%

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

17) Defined Benefit Pension Schemes (continued)

LGPS liabilities are sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The method and types of assumption used in preparing the sensitivity analysis below did not change from this used in the previous period.

Change in Assumptions at 31 March 2015

	Approximate % Increase to Employer	Approximate Monetary Amount (£000)
0.5% decrease in Real Discount Rate	9%	2,030
1 year increase in Member Life Expectancy	3%	642
0.5% increase in the Salary Increase Rate	4%	750
0.5% increase in the Pension Increase Rate	6%	1,230

Impact on the Authority's Cash Flow

The objective of the Falkirk Pension Fund is to keep employers' contributions at as constant a rate as possible. Employers' contributions have been provisionally set at the following proportion of employees' rates for the next three years: 2015-16 (21%) and 2016-17 (21.5%) 2017-18 (22%). The next triennial valuation is due to be completed on 31 March 2017 where these rates may be required to be updated. The fund will need to take account of impending national changes to the LGPS such as the move to a new career average revalued earnings (CARE) scheme. The total contributions expected to be made by the Board to Falkirk Pension Fund in the year to 31 March 2016 is £263k.

CENTRAL SCOTLAND VALUATION JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

18) Nature and Extent of Risks arising from Financial Instruments

As at 31 March 2015 the Valuation Joint Board has Debtors of £55k and Creditors of £277k. There is no provision for bad debts. The transactions entered into do not give rise to any market or liquidity risk and credit risk are considered below.

19) Related Parties

The Board is required to disclose material transactions with the related parties - bodies or individuals that have potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows leaders 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. In this context related parties include:

- Other Local Authorities: and
- Elected Members and Chief Officers.

The following related party transactions in 2014/15 are disclosed elsewhere within the Annual Report and Financial Statements:

- a) Requisitions from other Local Authorities are shown in Note 8 to the Comprehensive Income and Expenditure Statement; and
- b) Payments to Elected Members and Chief Officers are shown in the Remuneration Report.

AGENDA ITEM 6

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: Risk Assessment Report
Meeting: Central Scotland Valuation Joint Board
Date: 19th June, 2015
Author: Pete Wildman, Assessor & Electoral Registration Officer

1.0 Introduction

In February 2012 the Joint Board approved the Risk Management Strategy. It is good practice to review the strategy on an annual basis. The strategy, in appendix 1, was slightly amended in June 2013 to make it clear that the same strategy would be adopted in specific projects undertaken as well as for the general organisation risks.

2.0 Review of Strategy

The main purpose of the strategy is to identify potential risks before they occur, to then establish the potential consequences and finally determine the nature of the Joint Board's response to those risks. There are very good management and operational reasons for having such a strategy. It allows the Management Team time to carefully consider and evaluate risks before they occur, make informed decisions on what resources and actions are required and the priority to be given to those actions. This ensures good strategic planning of resources resulting in financial and operational efficiency. Having reviewed the strategy I am proposing that only a very minor amendment is required to it this year. The amendment is simply to replace Depute Assessor with Assistant Assessor. This reflects the revised Management Structure approved by the Board at its meeting in March 2015

3.0 Recent Amendments to Identified Risks

The latest Risk Analysis for all general risks with initial "Risk Score" of 4 or more are shown in the appendix 2 along, with any recent changes to "Existing Controls" or "Required Actions". The recent changes are shown in red text.

4.0 Recommendations

- 4.1 It is recommended that the Valuation Joint Board notes the risk strategy.
- 4.2 It is recommended that the Valuation Joint Board note the current general risk assessment analysis for all functions.

.....
Pete Wildman
10 June, 2015

Appendix

- 1. Risk Assessment Strategy
- 2. Extract from General Risk Analysis



RISK MANAGEMENT STRATEGY

June 2015

VJB Risk Management Strategy.

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1. **INTRODUCTION**

Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they do occur.

Risk management offers a number of benefits. It is not simply about insurance or health and safety risks. Rather, effective risk management will provide the Valuation Joint Board with a means of improving its strategic, operational and financial management. It can also help to minimise financial losses, service disruption, bad publicity, threats to public health or claims for compensation.

Risk management is a key task for managers in every organisation. In local government, identifying and evaluating the consequences of policies or actions is not always referred to as risk management. However, failure to pay proper attention to the likelihood and consequences of risks could cause the Joint Board serious problems. The effective management of risk is therefore a critical part of the Joint Board's approach to delivering the sound governance element of Best Value.

Risk management is an integral to policy planning and operational management. Identifying, analysing, controlling and monitoring risk will help elected members and managers make informed decisions about the appropriateness of adopting policy or service delivery options.

This is Central Scotland Valuation Joint Board's Risk Management Strategy. It sets out policy in respect of business risk and provides a framework to structure the approach taken in the analysis of risks for each project that the Assessor and ERO undertakes

2. **POLICY CONTEXT**

Central Scotland Valuation Joint Board aims to provide high quality, effective and responsive services to all of our stakeholders.

In order to achieve this the Valuation Joint Board is committed to the management of risks within its control in order to safeguard its employees and service users, protect its assets, preserve and enhance service delivery and maintain effective stewardship of its funds.

3. **AIMS AND OBJECTIVES OF THE STRATEGY**

The aims and objectives of the strategy include:-

- Identification of risks
- Quantification of risks
- Control of risks
- Financing of risks

4. **SCOPE OF THE STRATEGY**

All risks associated with

- services
- staff
- assets
- infrastructure
- systems
- stakeholders

will be included in the risk management process. Risk management is a continuous process that will incorporate all strategic and operational risks. Categories of strategic and operational risks are defined in Appendix 1.

5. **PROCESS AND METHODOLOGY**

To manage risk effectively, the risks associated with each policy option or service delivery method needs to be systematically identified, analysed, controlled and monitored.

In line with these requirements, a four stage approach to risk management will be adopted. This approach will also be adopted for specific projects undertaken as well as for the general organisation risks.

5.1 Approach

5.1.1 Risk Identification

For each category in Appendix 1, actual losses and failures which have occurred as well as those which might threaten the Joint Board will be identified and listed in a Risk Register.

5.1.2 Risk Analysis

Each risk identified will be systematically and accurately assessed. The process will assess

- the probability of a risk event occurring, and
- the potential severity of the consequences should such an event occur.

Using managers' experience, judgements will be made about the likelihood and severity of events occurring and these will be categorised as low, medium or high risk.

The probability and severity will then be assessed together using the formula

$$\text{Risk} = \text{Likelihood of occurrence} \times \text{Severity}$$

Risks will then be prioritised for control action.

5.1.3 Risk Control

Actions will be taken or planned to minimise the likelihood of the risk occurring or the severity of the consequences should it happen. This may require the identification and implementation of projects or revisions to operating practices. The appropriate action may be to transfer risk to another body or to accept the risk.

5.1.4 Risk Monitoring

The effectiveness of any actions or amendments to operating practices must be monitored and reviewed and the nature of risks will be assessed for change over time.

5.2 Risk Register

- The Assessor and ERO's Management Team will be responsible for developing and maintaining a general risk register.
- Each project undertaken will include a risk assessment specific to that project
- The general risk register will be reviewed by the Management Team at their regular meetings.
- Significant updates to risk registers will be reported to the Joint Board.
- The Assessor and ERO will have overall responsibility for the general risk register.

6. ROLES AND RESPONSIBILITIES

	Role
Elected Members	Oversee the effective management of risk by officers of the Joint Board
Assessor and ERO	Ensure that the Joint Board manages risk effectively through the development, implementation and review of a risk strategy. Overall responsibility for the development and maintenance of a risk register Report risk register to Joint Board
Management Team	Input into the development, implementation and review of a risk strategy. Input into the development and maintenance of a risk register To ensure risk is effectively managed across all areas of the Joint Board's functions Organise relevant training and raise awareness of the risk strategy. Monitor and Review success of risk control actions and procedures.
Assistant Assessor	To work with Councils and outside agencies on insurance issues.
Line Managers	Assist in the implementation of the risk management strategy across relevant area of function
Employees	Make every effort to be aware of situations which place themselves, others or service delivery at risk and report hazards. Provide information on any risks or hazards to Management Team for inclusion within risk register.
Council Services	Provide assistance, advice and training on budgetary planning and control. Provide assistance and advice on insurance and risk. Assist in the handling of any litigation claims. Negotiate insurance cover?
Office Manager	Advise on any health and safety implications of the chosen or preferred arrangements for service delivery

7. IMPLEMENTATION

Implementation of this policy will include the following:-

- A risk assessment register will continue to be maintained
- An annual review of the risk management strategy will be carried out and presented to the Valuation Joint Board.

8. FINANCING RISK

Risk financing is an important element of risk management. The purpose is to reduce the total cost of risk, which includes;

- The amount of uninsured losses met by the Joint Board's funds
- Insurance premiums for the external insurance cover obtained
- Excesses applied to individual claims
- Management and administration costs associated with risk and insurance
- The cost of preventative measures taken to reduce risk.

In major initiatives and partnerships the cost of risk will be shared as far as is possible.

Revenue budgets will carry the costs relating to risk prevention and loss.

APPENDIX 1

Strategic Risks are hazards and risks which need to be taken into account in judgements about the medium to long term goals and objectives of the Valuation Joint Board. These may include:-

Risk Category	Definition
Political	Those associated with failure to deliver either local/central government policy.
Economic	Those affecting the ability of the Joint Board to meet its financial commitments, including budgetary pressures, failure to purchase adequate insurance cover and changes in the economy.
Social	Those relating to the effects of changes in demographic, residential or socio-economic trends on the Joint Board's ability to deliver its services
Technological	Those associated with the Joint Board's capacity to deal with the pace/scale of technological change, its ability to use technology to address changing demands, or the consequences of failure of technologies on the Joint Board's ability to deliver its services.
Legislative	Those associated with current or potential changes in national or European law. Those associated with failure to meet statutory duties
Environmental	Those related to the environmental consequences of delivering the Joint Boards services.
Competitive	Those affecting the competitiveness of the service in terms of cost or quality
Customer/Citizen	Those associated with failure to meet the current and changing needs, expectations and aspirations of customers and services

Operational Risks are hazards and risks which managers and staff will encounter in the daily course of their work. These may include:-

Risk Category	Definition
Professional	Those associated with the particular nature of each profession
Financial	Those associated with financial planning and control and the adequacy of insurance cover
Legal	Those related to possible breaches of legislation
Physical	Those related to fire, security, accident prevention and health & safety
Contractual	Those associated with the failure of contractors to deliver services or products to the agreed specification and cost and within agreed timescale.
Technological	Those related to reliance on operational equipment (e.g. IT systems etc)
Environmental	Those related to pollution, noise or energy efficiency of ongoing service operation.

Appendix 2

Risk No	Category	Risk Description	Existing Controls	L	S	Risk Score	Required Actions	Residual Risk	Person(s) mainly responsible	Timescale "continuous/ ongoing" unless otherwise noted	Main function
77	Customer/ citizen/ legislation	Election during canvass	The "churn" caused by canvass activities is increased by political activity - e.g. poll cards will be based on out of date register but political activists will be indentifying the same changes that the canvass forms are designed to identify potentially confusing the elector.	2	3	6	The introduction of IER and interim updates prior to an election eases the pressures somewhat but the issue of poll cards being issued on older data remains but to a lesser degree. Proactive measures to identify new electors without waiting on the canvass also mitigates this risk	4	ERO	ongoing	Electoral
79	External	IT Supplier not having a Business Continuity Plan in place resulting in loss of IT System	High possibility of serious error affecting all users- mitigated by mirroring and backups but it requires all users to report errors quickly	2	3	6	Check at tender stage that all critical suppliers have a BCP in place. If an existing Contractor does not have one in place, then request that they do so. If that is not possible then look to switch supplier	4	Assessor & Office Manager	ongoing	all
80	Political	Introduction of Individual Registration increasing costs of canvass	Monitor and react to proposals for individual registration - keep involved in Electoral Commission and Cabinet Office groups planning the introduction . Close liaison with other EROs and Cabinet Office through AEA and SAA. Due to a high match rate at CDR our funding was lower than initially anticipated	2	3	6	Extra funding received from Cabinet Office but due to the fact that the new system is untried it is prudent to keep money in reserves in case of a shortfall. Close monitoring of spend as canvass progresses	4	ERO	Ongoing	Electoral
81	Technological	Misuse of data/internet	Use of computers,email, and internet policy approved by Board and explained to staff in 2005 and has been part of induction for new staff since then. All staff sign acceptance of policy before getting access to systems. Confidentiality Agreements in place. Data Protection training provided on an annual basis User logs and permissions are	2	2	4	Although encryption techniques are used and have been succesful there is a risk of data loss in dealing with legally entitled recipients who are not familliar with such security. Strict checking processes are followed before data is released. Document handling policy	4	Office manager (for new staff) Depute ERO and Assistant Assessor for external.	Ongoing	All

Risk No	Category	Risk Description	Existing Controls	L	S	Risk Score	Required Actions	Residual Risk	Person(s) mainly responsible	Timescale "continuous/ongoing" unless otherwise noted	Main function
82	Technological	Loss of programming capability	In House IT Team. Ensure training is kept up to date in programming capability - IT Workload is closely monitored through IT Working Group. Support contract with third party in place	2	2	4	Review IT support contract to ensure it continues to be fit for purpose. Ensure that programming continues to be fully documented and that we employ two programmers for resilience	4	Assessor/IT Team/ITWG		All
83	Technological	Loss of systems administration capability	In House IT Team. Documented procedures, external support contract in place	2	3	6	Review support contract to ensure it provides correct cover. Periodically review documentation, no delay in filling any vacancy	4	Assessor/IT Team/ITWG		All
84	Legislative	Change to method of financing Local government	Monthly meeting with accountant (office manager and/or Assessor). Awareness of and input to government policy through SAA	2	2	4		4	SAA		Valuation
85	Professional	Reliance on any one individual for particular functions	Review of working practices and manuals to eliminate bottlenecks where the skills or expertise of one person is relied on. <u>Valuation:</u> Assessor and all statutory Deputies are members of the SAA and influence national working practices through the SAA Committee system. Information from these Committees and groups is shared. The Assistant Assessor reviews performance and practice after each VAC hearing (currently in 2015 - two monthly). Principal and Senior Valuers are on SAA Working Groups	2	2	4	Ensure all office processes are documented and good records management regime is in place	4	Assistant Assessor	Late 2016	Valuation

Risk No	Category	Risk Description	Existing Controls	L	S	Risk Score	Required Actions	Residual Risk	Person(s) mainly responsible	Timescale "continuous/ ongoing" unless otherwise noted	Main function
86	Customer/ citizen	Insufficient staff/time to deal with registration applications received close to the 12 day deadline - for instance large numbers of postal vote applications delivered to the office close to the deadline by one or more political parties. IER online verification system does not work	The risks of late rush are in any case mitigated by proactivity in registration and in postal voting publicity. Team Leader will keep informed of activity by parties and advise ERO accordingly.	2	2	4	There is sufficient staff available over the whole period, including late working at specific times. However, if there is a spate of illness or epidemic, we will re-allocate the workload to non electoral staff that have EROS access for scanning purposes and train them in part of the registration process. Postal Voting timing can be a particular risk because printers operate a queue system and any delay will lose a place in the queue. RO's staff have been requested to ensure realistic timetables are agreed when print contracts are agreed. Candidates and agents will be encouraged to use the Electoral Commission form from the aboutmyvote site and specifically discouraged from using photocopies of any form. All parties should be reminded (via PPP) of the EC guidance on quick return of form to the ERO. Any local party or agent thought to be breaching these rules should be referred to the ERO. (See specific election risk register) Develop a contingency verification process ahead of the introduction of IER	4	ERO/Depute ERO	Ongoing	Electoral
87	Customer/ citizen/ legislation	timing of registers and av lists to parties can cause unnecessary work at election time which may interfere with other timetables	Parties/ Permitted Participants and Designated Organisations may ask for lists and registers at any time in the run up to the election	2	2	4	We will continue to try to agree dates prior to every election with political parties re the availability of registers and AV lists at 2 or 3 set dates. this is done in conjunction with SAA, EC and EMB where possible. By ensuring candidates make arrangements to collect paper copies from only from Hillside House this has reduced the number of copies requested (which were never collected) Paper copies are only printed immediately prior to collection. Many data copies are still never "collected" as passwords never requested to access.	4	ERO	Sep-14	Electoral
88	Customer/ citizen	Local Election during canvass (including Community Council)	Staff from Information Team and Office Services have been seconded to Electoral Team during 2011 and are more aware of electoral work due to training received. ERO considers sufficient cover to deliver a local government election and maintain canvass timetable as this was delivered in 2009. All RO's requested to supply details of all potential CC elections prior to database being	2	2	4		4	ERO	annually September	Electoral
89	Technological	Software becomes obsolete/ inefficient	Expertise within IT Team - continuously review software capabilities and staff needs. IT training organised in line with other training/development	2	2	4	Set up intra office working groups to allow improved communication between users and IT Team. Regular review of IT Team's training needs. Software maintenance agreements kept in place for key systems	4	ITWG group		Valuation

Risk No	Category	Risk Description	Existing Controls	L	S	Risk Score	Required Actions	Residual Risk	Person(s) mainly responsible	Timescale "continuous/ongoing" unless otherwise noted	Main function
90	Environmental	Inefficient use of resources	Regular meeting with accountant and Office manager. Joint Framework agreement agreed. Use tendering where appropriate.	2	2	4	Closer liasion and working with Clackmannanshire Council Procurement Services	4	Assessor/Management team		All
91	Financial	Lack of funds/budget cuts	Regular meeting with accountant and Assessor . Early preparation of Budget - 3 year budgeting	3	2	6	Later overview involving Senior Accountant and Assessor. Ensure that sufficient key staff are retained to deliver services. Ensure limited respurces are used optimally. Ensure Board is aware of its statutory duty to fund the Assessor and ERO to carry out his statutory duties	6	Assessor		All
	Legal/political	Court Action by Prisoners in run up to elections	establish "Caveats" with all local Courts and Court of Session	2	2	4		4	ERO		Electoral

Risk No	Category	Risk Description	Existing Controls	L	S	Risk Score	Required Actions	Residual Risk	Person(s) mainly responsible	Timescale "continuous/ ongoing" unless otherwise noted	Main function
92	External	Late direction by EMB (or as in 2011 by Electoral Commission). Potential conflict if EMB requirements conflict with arrangements already agreed with printers, ERO's etc	Membership of EMB (directly or through SAA) to influence and keep in touch with possible late changes	2	2	4	Continued membership of AEA and SAA to ensure input can be made to EMB decisions. Close working with local ROs	4	ERO		Electoral
93	External	Out of date Corporate Address Gazetteer resulting in moving away from electoral data standards goals	New Council Tax properties are added to CT and EROS systems with CAG numbers. New Non Domestic properties are added to Best Value with CAG numbers	2	2	4	We will continue to assist CAGs with data from our systems to aid in their awareness of completeness of individual properties and verification of addresses	4	Assistant Assessor and Depute ERO		Electoral
94	Technical	Alterations to IT systems in the run up to an election	Work with software and hardware suppliers to ensure that there are no planned alterations in the run up to an election/referendum	2	3	6	Critically risk assess any unplanned updates to ensure that the delivery of the election/referendum is not compromised	4	ERO/Depute ERO/Systems Administrator		Electoral
	political/legal	Failure to maintain PSN accreditationf IER	Close working with Cabinet Office and other VJBs. Close monitoring of PSN compliance and early identification of issues. Close working with ROs	2	3	6	Use CLAS consultant	4	ERO/Systems Administrator		Electoral
95	political/legal	Conflict between the requirements for the introduction of IER and the delivery of the Elections	Close working with Cabinet Office, Software suppliers and other VJBs. Close monitoring of progress and early identification of issues. Close working with ROs	2	2	4	Close working with SAA & AEA to ensure issue is raised at EMB and with Cabinet Office, Scottish Government and software suppliers. Ensure that Elections are not impacted	4	ERO/Depute ERO	Ongoing	Electoral
96	Customer/ citizen	AV list for Returning Officers/printers	This is a major pressure point and there has to be early engagement with RO staff well before the election is called. If possible be involved at an early stage of negotiation between RO and printer regarding timing, but they are ultimately the ROs' decisions. Following these early discussions arrange for sufficient staff and other resources to be available as required (including overtime and IT resources) but also it is important to consider emergency scenarios, and the possibility of late rearrangements resulting from national discussions (see election risk/contingency plan for any upcoming elections)	2	3	6	There are several ways to approach AV lists from an emergency scenario point of view, but the exact arrangements depend on the required final provision of the AV list. In all cases however, AV lists should be kept up to date and saved (or supplied to printers) on an incremental basis so that a system, power, or building failure even on the last day will not require a complete re-start, and any need for manual processing of pull outs and supplementary lists is minimised. As part of this a full read-in check of the standing list should be carried out well before the election as there will not be time to do this later. A supplementary check of additions can be carried out nearer the election. Occurrence of an epidemic can be mitigated by re-allocating the workload to non electoral staff that have EROS access for scanning purposes and train them in appropriate parts of the registration process. Access to any part of the system which can be used (by any user) to amend the AV lists should be tightly restricted by the administrator as soon as an election is likely.	4	Depute ERO	Review Early 2016	Electoral

Risk No	Category	Risk Description	Existing Controls	L	S	Risk Score	Required Actions	Residual Risk	Person(s) mainly responsible	Timescale "continuous/ ongoing" unless otherwise noted	Main function
65	Political	Councils dissatisfied with the ERO function	Regular contact with 3 ROs to ensure their needs as "customers" are taken into account. Co-operation on the Eros Election management /registration system. Review carried out in 2014	2	2	4	Develop the Service Level Agreement. Liase with Councils and Halarose. Attend RO Election planning meetings	3	ERO, Depute ERO		Electoral
66	Political	Review by Government and Electoral commission of electoral and registration systems	Respond to consultation documents through SAA and AEA, and direct contact with Electoral Commission, Scotland Office (& Cabinet Office), and Scottish Government. All senior electoral registration staff have been encouraged to become members of Halarose Users Group and to participate in	2	2	4	Ensure ongoing membership of the organisations and that responses are made to consultations	3	ERO/Depute ERO		Electoral
26	External	Lack of experience or knowledge in Electoral Services	Current staff have many years of experience a	2	2	4	Ensure procedures are documented and guidance is readily available. Identify and eliminate "single points of failure". Ensure all newly promoted staff undertake Electoral qualifications	2	ERO/Depute ERO	May-15	Electoral
28	Economic	Effects of new legislation (on budget, and workload)	Keep informed of potential changes in legislation through membership of SAA and AEA. Regular monthly (at least) team briefing involving all staff (via line managers). Regular monthly meeting with Accountant	2	2	4	Review and update the Service Plan (including risk register). Review training needs regularly. Plans reviewed in 2013, risks reviewed regularly	2	Managemment Team	ongoing but full review in March 2016	all
31	Professional	Inadequate/lack of training	Annual appraisals. Training issues raised at monthly management team meetings. Monthly Training Meeting, regular meetings with trainees. Documented Induction plan in place	2	2	4	Further develop induction processes. Ensure sufficient funding to meet training requirements	2	Depute Assessor		All

AGENDA ITEM 7

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: BEST VALUE REPORT 2015
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 19th JUNE 2015
Author: JANE WANDLESS, ASSISTANT ASSESSOR

1. INTRODUCTION

- 1.1 Reports on performance have been submitted to the Central Scotland Valuation Joint Board on a regular basis since 2000. This report covers the financial year 2014/2015, and shows performance levels on Assessor's work completed between 1st April 2014 and 31st March 2015. The Report follows the same format as previous years and the figures for the past three years are shown.

2. KEY PERFORMANCE INDICATORS

- 2.1 A key part of Best Value is measuring and monitoring performance. A report detailing the performance indicators was submitted to Central Scotland Valuation Joint Board on 6th October 2000. These indicators were agreed with the Scottish Government and the Accounts Commission.

2.2 Targets Set – Valuation Roll (Non Domestic) Amending the Roll

Amendments to the Valuation Roll as a % of all changes			
Year	2012/13	2013/14	2014/15
In less than 3 months	82%	82%	82%
In less than 6 months	93%	93%	93%
In more than 6 months	7%	7%	7%

2.3 Performance Achieved

Total No. of Entries as at 31 March 2015 - 11,368

Amended Entries 701

Changes Made	Achieved 2012/2013	Achieved 2013/2014	Achieved 2014/2015
In less than 3 months	81%	76%	81%
In less than 6 months	93%	90%	89%
More than 6 months	7%	10%	11%

The target for changes in less than 3 months was missed by a margin of 1% and the target for changes in less than 6 months was missed by a margin of 4%. Whilst these figures are disappointing this was due in the main to Lands Tribunal and Lands Valuation Appeal Court appeal decisions in respect of Telecom subjects which necessitated the entry of a number of new entries in March 2015 with an effective date of 1st April, 2014.

2.4 Council Tax

The key performance indicator for Council Tax is a measure of how long it takes for a new house to enter the Valuation List. It is in the taxpayer's interest that the property appears in the List as soon as possible after completion to avoid a backdated bill. It is in the Councils' interest to collect the tax as soon as possible. The number of dwellings in the List at 31 March 2015 was 137,523. In addition there are approximately 5000 domestic garages and stores that appear in the list but these are exempt from Council Tax payment.

2.5 Targets Set – Council Tax

New Entries:

New Entries on the Valuation List as a % of all new entries			
Year	2012/13	2013/14	2014/15
In less than 3 months	96%	97%	97%
In less than 6 months	99%	99%	99%
In more than 6 months	1%	1%	1%

2.6 Performance Achieved

Total new entries 2014/2015: 1163

New Entries on the Valuation List as a % of all new entries			
Year	Achieved 2012/13	Achieved 2013/14	Achieved 2014/15
In less than 3 months	98%	96%	97%
In less than 6 months	100%	99%	99%
In more than 6 months	-	1%	1%

Working on maintaining the Council Tax List has a high priority throughout the year. It is particularly important for the Electoral Registration function that all new properties are added to the Valuation List as quickly as possible. This ensures that forms asking people to register to vote are issued promptly and all domestic properties are included in the annual canvass. If the Valuation List is up to date it will help to ensure that the Electoral Register is also up to date.

It is pleasing that such a high standard has again been achieved with 97% of all new houses in the List within three months.

2.7 Targets for 2015/16

Valuation Roll – Target 2014/15

Amendments to the Valuation Roll as % of all changes	
Year	2014/15
In less than 3 months	82%
In less than 6 months	93%
In more than 6 months	7%

Valuation List – Target 2014/15

Amendments to the Valuation Roll as % of all changes	
Year	2013/14
In less than 3 months	97%
In less than 6 months	99%
In more than 6 months	1%

It is proposed that targets for this year remain unchanged, the focus for 2015/2016 will be to consolidate and strive to achieve the high standard of performance achieved in previous years.

3. **PUBLIC PERFORMANCE REPORTING**

The Public Performance Report is published on the Assessors' Portal (www.saa.gov.uk), it is also available from our office.

4. SUMMARY

- 4.1 The Best Value regime has allowed the Assessor for Central Scotland to formally measure performance against indicators agreed with the Scottish Executive and Audit Scotland. The aim is to monitor and constantly improve our performance where feasible. The targets set for the non domestic Valuation Roll in 2015/16 have remained constant and we will aim to meet and if possible exceed them.
- 4.2 In relation to domestic properties you should also note that the targets had not been increased 2006/07 to 2010/11, but were increased in 2011/12 and 2013/14. The targets for 2014/15 have therefore remained constant and we will aim to meet and if possible exceed them.
- 4.3 Since the inception of the Best Value the Assessor's employees have embraced the scheme and have generally demonstrated consistent improvement. Performance in relation to targets set has been high, and the organisation has generally met or exceeded these targets. This has been achieved through hard work by many people and we will continue to strive to maintain these high standards. It should be noted however that the proposed Voluntary Severance scheme and the potential loss of staff within the Valuation Team may impact on performance.

5.0 RECOMMENDATIONS

It is recommended that the Valuation Joint Board note the continuing commitment to Best Value.

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Assistant Assessor

AGENDA ITEM 8

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: Equality Outcomes and Mainstreaming Report
Meeting: Central Scotland Valuation Joint Board
Date: 19th June 2015
Author: Pete Wildman, Assessor & ERO

1.0 INTRODUCTION

- 1.1 This report is to advise members of the Valuation Joint Board that the t Board's mainstreaming report for 2015 has been published

2.0 BACKGROUND

- 2.1 The Equality Act 2010 places both General and Specific Duties on public bodies including the Valuation Joint Board . Under the General Duties the Board must, in the exercise of its functions, have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The relevant protected characteristics are – age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation

- 2.2 The Specific Duties required the Valuation Joint Board to prepare and publish a mainstreaming report by 30th April 2013 and thereafter every two years. The report is to identify the progress that the Board has made to make the equality duty integral to the exercise of its functions. The report must also include an annual breakdown of the composition of the Board's employees as well as annual information on the recruitment, development and retention of employees with respect to the number and relevant protected characteristics of employees

3.0 CURRENT POSITION

- 3.1 In order for the Valuation Joint Board to meet its obligations under the duties a mainstreaming report has been prepared and employee information collected
- 3.2 As advised at the November 2014 Board meeting the Equality were revised in October 2014 to take account of feedback from the Equalities and Human Rights Commission. Given that they have only recently been revised, no further changes have been made.
- 3.3 The mainstreaming report and equality outcomes are required to be published so that they are publicly available and accessible to all sectors of the community. The Report and Outcomes were published on the internet. We will also provide it in large font, audiotape or Braille format on request
- 3.4 By publishing the mainstreaming report and equality outcomes the Board is not only ensuring that its legal obligations are met but it is also sending a clear signal of the Board's commitment and determination to actively promote equality of opportunity for each gender.
- 3.5 The Equality Duty Report including mainstreaming report and equality outcomes has now been published and is available to view at SAA.gov.uk. The key points of note are the continued gender imbalance between higher paid technical and lower paid administrative staff and the age profile of the office which is skewed towards those in excess of 40. The workforce is also not very diverse in terms of ethnicity.

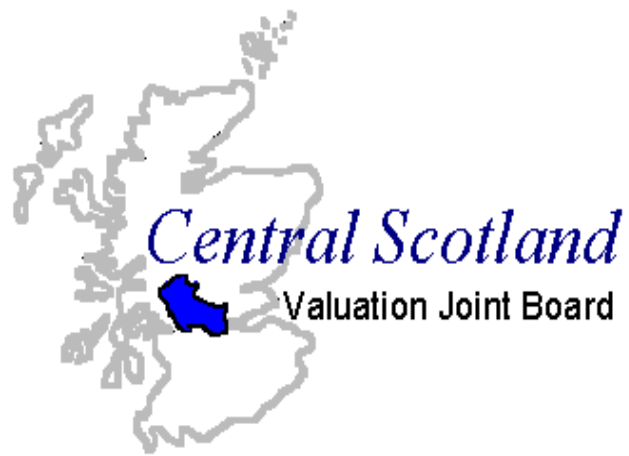
4.0 RECOMMENDATION

- 4.1 Members are asked to note the publication of the mainstreaming report and equality outcomes

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Pete Wildman
Assessor and ERO
Date: 10th June 2015

LIST OF BACKGROUND PAPER :

- 1. Central Scotland Valuation Joint Board Mainstreaming Report and Equality Outcomes



Central Scotland Valuation Joint Board

Equalities Report

April 2015

Introduction

Central Scotland Valuation Joint Board is fully committed to embracing and implementing the principles and ethos of the Equality Act 2010 and its associated Regulations such as The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

By fully adopting the principles and ethos of the Equality Act 2010, Central Scotland Valuation Joint Board will provide all electors, rate payers and council tax payers of Central Scotland and its own staff, a service provision, culture and working environment which is free from unlawful discrimination, harassment, victimisation, where all members of the community have equal opportunities and are encouraged to treat each other with dignity and respect.

These are the broad aims of the Equality Act 2010 and the Board respects them, adopts them and upholds them. In order to confirm its commitment to these aims, this report sets out to demonstrate where Central Scotland Valuation Joint Board has already taken steps to embrace the principles of the Equality Act 2010. It will also detail the actions currently being undertaken to embed the Equality Act 2010 into the Board's functions, and finally, by developing Equality Outcomes this report will consider those actions the Board intends to take in the future in order to continue to embrace the aims and objectives of the Equality Act 2010.

This report is in three parts, one for each of the following key areas;

- ***Equalities Mainstreaming***
- ***Workforce Monitoring***
- ***Equalities Outcomes***

The first of these areas will explain what actions the Board has, and is, taking on a day to day basis to fully embrace and implement the principles of the Equality Act 2010. The second part of this report comprises an analysis of its workforce with particular reference to the protected characteristics defined in the Act. The third part uses the information and knowledge gained from the first two sections to identify and develop Equalities Outcomes that the Board will implement in the future in order to promote equality. In developing the equality outcomes regard has been had to the guidance given by the Equalities and Human Rights Commission in Scotland that these should be proportionate and relevant to the size of the organisation.

Central Scotland Valuation Joint Board has always strived to uphold and implement the principles of its existing Equalities Schemes. These new provisions will allow the Board to build upon the work of its previous schemes and renew its commitment to the principles of the Equality Act 2010.

Central Scotland Valuation Joint Board

Public Sector Equality Duties

Part 1

Mainstreaming the Equality Duty

Central Scotland Valuation Joint Board Profile

1.0 The Board

Central Scotland Valuation Joint Board has been established since 1996 and discharges the responsibilities which Clackmannanshire, Falkirk and Stirling Councils hold as Valuation Authorities.

The members of the Board comprise 15 elected councillors who are appointed by the constituent authorities as follows:

<i>Clackmannanshire Council</i>	<i>3 members</i>
<i>Falkirk Council</i>	<i>8 members</i>
<i>Stirling Council</i>	<i>4 members</i>

The Board has appointed an Assessor who is responsible for the preparation and maintenance of the Valuation Roll and Council Tax List, which are the base documents required for the three Councils to ingather Non-Domestic Rates and Council Tax.

The councils have also appointed the Assessor to be the Electoral Registration Officer for the councils and be responsible for the preparation and maintenance of the Register of Electors and Absent Voting lists, which are essential for all European, Parliamentary and Local Government Elections.

The Assessor and Electoral Registration Officer currently has a total of 51 members of staff working for him which translates into a full time equivalent of 49.2 staff to assist in carrying out these statutory functions. In view of the relatively small size of the organisation support is provided to the Board in the areas of Human Resources, Legal Services & Financial Management, by Clackmannanshire Council.

1.0 **Equality Duties**

In 2010 the UK Parliament introduced a new Equality Act. The Equality Act 2010 brought together over 100 separate pieces of legislation and now provides a legal framework which protects individuals from unfair treatment and promotes a fair and more equal society.

The nine main pieces of legislation that have merged are;

- ***Equal Pay Act 1970***
- ***Sex Discrimination Act 1975***
- ***Race Relations Act 1976***
- ***Disability Discrimination Act 1995***
- ***Employment Equality (Religion or Belief) Regulations 2003***
- ***Employment Equality (Sexual Orientation) Regulations 2003***
- ***Employment Equality (Age) Regulations 2006***
- ***Equality Act 2006***
- ***Equality Act (Sexual Orientation) Regulations 2007***

The Equality Act 2010 included a new public sector Equality Duty which replaced the separate duties on public bodies relating to race, disability and gender equality. It now also extends to age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment.

Section 149 of the Act imposes a duty on public authorities when exercising public functions to have due regard to the following general duties;

- ***eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act***
- ***advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it***
- ***foster good relations between persons who share a relevant protected characteristic and persons who do not share it.***

The above general duties are often referred to as the ‘three needs’.

The Act sets out nine protected characteristics which are:

- ***Age***
- ***Disability***
- ***Gender Reassignment***
- ***Marriage and Civil Partnership***
- ***Pregnancy and Maternity***
- ***Race***
- ***Religion or Belief***
- ***Sex***
- ***Sexual Orientation***

The first ‘need’ of the general Equality Duty is to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act.

However, the second and third ‘needs’ of the duty (advancing equality of opportunity and fostering good relations) only apply in relation to persons who share a protected characteristic.

To help meet the general duties contained within the Equality Act 2010, the Scottish Government introduced the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

The purpose of the specific duties in Scotland is to help those authorities listed in the Regulations in their performance of the general Equality Duty.

The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires those authorities listed in the Regulations, unless otherwise exempted, to comply with the following duties;

- ***Duty to report progress on mainstreaming the Equality Duty.***
- ***Duty to publish equality outcomes and report progress.***
- ***Duty to Equality Impact Assess Policies and Practices.***
- ***Duty to gather and use employee information.***
- ***Duty to publish gender pay gap information.*** (Central Scotland Valuation Joint Board has less than 150 employees and is therefore not subject to this duty).
- ***Duty to publish statements on equal pay.*** (Central Scotland Valuation Joint Board has less than 150 employees and is therefore not subject to this duty).
- ***Duty to consider award criteria in relation to public procurement.***
- ***Duty to publish required information in a manner which is accessible.***
- ***Duty to consider other matters.***

How Central Scotland Valuation Joint Board is mainstreaming the Equality Duties will now be considered in some detail.

Whilst a small organisation with limited resources, the Board has adopted a number equality related practices and procedures which clearly demonstrates its commitment to mainstreaming the Equality Duties. Some examples include the following.

Top Down Involvement

Equality of treatment is a fundamental right and the Assessor and ERO has taken steps to ensure that a culture of equality is embedded in the organisation. A top down approach has been adopted and equality is a standing item on the agenda for discussion at the Assessor's Management Team meetings. Any issues relating to equality matters are discussed in full and thereafter information is cascaded down from the Management Team meetings via individual team briefings.

Management Team meeting minutes are made available to all staff via an internal IT directory.

Equal Pay

In January 2012 the Board implemented the national single status agreement for Local Authority Employees in Scotland. In accordance with this agreement all jobs have been re-evaluated. The re-evaluation was undertaken using the COSLA job evaluation model.

In conjunction with re-evaluating all posts the Board has introduced a revised pay structure and package of terms and conditions of employment.

Having reviewed the pay structure, the terms and conditions and the equal pay related policies and procedures currently in place, the Board is satisfied that these are non-discriminatory and meet the Board's Equality Duties. However, the Board also recognises that it is important to continue to monitor these provisions and, with the support of Clackmannanshire Council, will continue to update these and develop new policies as required.

Policies and Procedures

The Board has a range of policies and procedures in place, many of which are aimed at eliminating discrimination and promoting equality. Some of the Board's policies and procedures aimed at eliminating discrimination and promoting equality are detailed below:

- ***A Framework for Maximising Attendance at Work***
- ***Computer Use***
- ***Customer Comments and Complaints Procedure***
- ***Disciplinary Policy***
- ***Exit Questionnaires***
- ***Flexible Retirement***
- ***Flexible Working***
- ***Flexi-Time Scheme***
- ***Grievances***
- ***Health and Safety***
- ***Job Sharing***
- ***Anti-Harassment Policy***
- ***Retirement Framework***
- ***Recruitment and Selection***
- ***Special Leave***
- ***Training and Development***
- ***Travelling and Subsistence***
- ***Lone Working***

The Board is satisfied that the above Policies and Procedures are non-discriminatory and meet the Board's Equality Duties. However, the Board also recognises that it is important to continue to monitor these provisions and, supported by Clackmannanshire Council, will continue to update these and develop new policies as required. Any new policies or amendments to existing policies will be impact assessed before implementation. Arrangements are in place to facilitate regular meetings with representatives from Clackmannanshire Council to discuss these issues.

Recruitment and Selection

The Board operates a policy to ensure that recruitment and selection is undertaken within a framework which is fair, consistent, avoids discriminatory practices and provides equal access to all jobs. The policy includes a commitment that any disabled applicant who satisfies the minimum requirements will be invited for interview.

In conjunction with this policy, provision has been made to monitor amongst other things the racial, gender, disability and marital status of both successful and unsuccessful applicants. This information is not available to the interview panel.

Service Plan

The Board has a Service Plan of which equalities form an important part. The Plan is therefore under constant review and monitoring. Any changes made are relayed to all staff via team briefings and the subsequent posting of Minutes on the Board's computer directories for all staff to read and comment upon.

Training

Training is an important tool to ensure that staff are aware of the importance of Equality issues and to ensure that staff behave in a way that is non discriminatory. Training has been provided in the past to staff. The Assistant Assessor is also the training officer for the Board,

Notwithstanding the above the Board recognises that additional equality training is required for all staff and this will be undertaken in-house.

Access to the Board's Premises

The office is accessible by a ramped access and is open plan in layout. There is a lift to all floors and there is disabled toilet provision on the ground floor.

There is good car parking associated with the office. Whilst the slope to the office is slightly steep wheelchair access is possible and there is signage indicating the route. The main sign shows the office telephone number so if a wheelchair user is experiencing difficulty they can telephone for assistance.

Access to Information Published by the Board

The Board creates a number of publications which are available in hard copy. Facilities are available whereby these publications can be made available in different languages, in Braille or on audio tape on request.

The Board also publishes information on the Scottish Assessors' Association website (www.saa.gov.uk).

Communication with the Board

The Board recognises that we deal with a large volume of information that can, in certain circumstances, appear highly complex and technical. Access to the Board's literature and correspondence is an area we intend to look at in future

Language Line

Board staff have access to the translation facilities provided through "Language Line". This is a telephone system, which can be accessed by staff who encounter members of the public whose first language is not English. All staff have received training in the use of language line. Staff visiting properties are issued with guides to the translation services that are available

Correspondence

In line with recommendations, wherever possible correspondence is provided on white paper with black typing in Arial font size 12 to the benefit of partially sighted service users.

Suggestions Box

For some time now all staff have had access to a Suggestions Box and are encouraged to make suggestions that could improve the provision of our service to our customers and the working practices and environment of our staff.

The Suggestions Box is checked on a regular basis and each suggestion is discussed by the Management Team and the appropriate action taken.

Employee Appraisals

All Board employees have annual appraisals. Where any equalities issues have been raised these have either been dealt with by the Line Manager or where appropriate referred to the Management Team for action.

Staff Questionnaires

Staff Questionnaires are issued to all staff every two years. The results from those questionnaires are used to identify areas for improvement and lead to the creation of an action plan.

Staff Consultation Forum

Since the last report the Board has established a Staff Consultation Forum. The aim of the group is to ensure that staff are consulted on any policy or employment changes and to act as forum for any employee concerns to be addressed.

Anti-Harassment Advisor

After a number of years the Board now has another Ant-Harassment advisor whose role is to provide staff with advice on how to deal and report and instances of Harassment whilst they are at work.

Scottish Assessors' Association

The Scottish Assessors' Association was instituted in 1886 and is an organisation where all Assessors and their senior staff are members. One of the functions of the Association is to facilitate consistency of approach in the administration of rating, council tax and electoral registration services throughout Scotland. The Association has a Governance Committee that covers Equality issues. There is a representative from Central Scotland on the Committee. Being a member of the Scottish Assessors' Association Governance Committee gives the opportunity to share information on equality issues and agree best practices with colleagues from throughout Scotland.

Appeals and Complaints to the Board

The Board has in place provisions whereby our service users may complain about the organisation and a form is available for this purpose.

The Board has recently introduced a new Complaints Procedure that is based on the Scottish Public Services Ombudsman's model. This procedure is aimed at making resolution of complaints a quick and easy process. It also allows more detailed monitoring of complaints.

Customer Feedback Survey

The Board reviewed the customer feedback survey forms which requested users of the service to comment upon aspects of the service they have received. Whilst no areas of concern were reported in the returned forms the level of response remains disappointingly low. A review of the forms and method of issue is to be carried out prior to issuing them later this year.

Impact Assessment

The Board adopts, wherever possible, the Human Resources policies, practices and procedures of Clackmannanshire Council. This includes, among others, policies concerning; Anti Harassment, Absence Management, Flexible Working, and Maternity and Paternity Leave

Any new policies are impact assessed and the proposed policies and associated impact assessment are presented to the Staff Consultation Forum for feedback prior to being formally approved.

The Management Team will review the impact on equality groups of the practices and procedures followed in the exercise of its statutory functions which do not directly follow those of Clackmannanshire Council at regular management meetings. Where

the impacts arising from these practices and procedures are considered to be of high relevance a full impact analysis will be carried out.

Exit Questionnaires

The Board has procedures for Exit Questionnaires and all staff leaving the service are invited to complete a questionnaire. Any equality related issues are highlighted and reported to the Management Team where appropriate.

Central Scotland Valuation Joint Board

Public Sector Equality Duty

PART 2

WORKFORCE MONITORING

1.0 Introduction

Central Scotland Valuation Joint Board is committed to providing a workplace that embraces equalities issues and values diversity. It continually aims to create a workplace which is free from unlawful discrimination, harassment, victimisation or bullying and where all employees and the wider community we serve are treated with dignity and respect.

It recognises that equalities is an ever evolving issue that requires a continuing commitment from all of its workforce. It needs to continue to expand the knowledge of its workforce on equality issues and continues to embed all aspects of equality legislation in its service provision.

As required by The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 the Board has gathered information on the composition of its workforce and on the recruitment, development and retention of its employees with respect to their protected characteristics.

This information will help the Board to gain a better knowledge and understanding of the following issues.

- ***Identify key issues in employment.***
- ***Assess whether the Board is discriminating unlawfully in any of its employment functions and help identify action to remedy this.***
- ***Identify any actions it can take to avoid discrimination and harassment, and to advance equality of opportunity or foster good relations.***
- ***Understand the impact of its employment policies, practices and decisions on people with different protected characteristics and thereby plan them more effectively.***
- ***Consider taking steps to meet the needs of staff and potential staff who share relevant protected characteristics.***
- ***Make informed decisions about policies and practices which are based on evidence about the impact of its activities on equality.***
- ***Demonstrate to the public and to audit, scrutiny and regulatory bodies how it is performing on equality.***
- ***Assess performance against that of similar organisations, nationally or locally.***

The Board will use its workforce monitoring data to:

- ***Identify areas of occupational segregation by gender and consider measures to address these.***
- ***Identify any disparities in the profile of its workforce by protected characteristic.***
- ***Develop equality outcomes in accordance with the equality duty.***
- ***Identify gaps in workforce monitoring and suggest ways in which it can address and improve on these.***

The non statutory guidance from the Equality and Human Rights Commission (*Employee information and the public sector equality duty: A guide for public authorities (Scotland)*) also recommends that organisations work towards gathering and using information disaggregated by protected characteristics on the following key areas:

- ***Recruitment and promotion.***
- ***Numbers of part-time and full-time staff.***
- ***Pay and remuneration.***
- ***Training and development.***
- ***Return to work of women on maternity leave.***
- ***Return to work of disabled employees following sick leave relating to their disability.***
- ***Grievances (including about harassment).***
- ***Disciplinary action (including for harassment).***
- ***Dismissals and other reasons for leaving.***

The Board will work towards ensuring that the above are monitored. Given the low numbers of staff involved, it may not be appropriate to publish a detailed breakdown for risk of identifying an individual.

REPORTING CATEGORIES

Prior to undertaking workforce monitoring analysis it is worthwhile confirming the sources of information and the basis in which it has been analysed.

All applicants for posts at the Board are asked to complete an Equalities Monitoring Form

Data for our workforce has been drawn from our Staff Equalities Monitoring Questionnaire which was issued, returned and analysed between March 2015 and April 2015. The forms were last issued in early 2013.

The workforce data used in the following analysis is current as at 1st April 2015. However, when considering certain issues such as recruitment and leavers the relevant data is based on the financial years 2013-14 and 2014-15.

The Board currently has a total of 51 members of staff which is adjusted to a full time equivalent of 49.20 when flexible working practices are taken into account.

In the following analysis certain key areas, as recommended by the Equality and Human Rights Commission, will be considered in detail with specific reference to the protected characteristics. Where any additional analysis has been undertaken in a specific area this will be highlighted and discussed in the accompanying commentary.

The protected characteristics mentioned above are:

- ***Gender***
- ***Age***
- ***Disability***
- ***Gender Reassignment***
- ***Marriage and Civil Partnership***
- ***Pregnancy and Maternity***
- ***Race***
- ***Religion or Belief***
- ***Sexual Orientation***

1.0 WORKFORCE COMPOSITION

1.1 Profile of Workforce by Gender

Male	Female	PNTS
42%	55%	3%

1.2 Profile of Workforce by Age

WORKFORCE AGE PROFILE	
Age Group	Employees
16-24	2.8%
25-29	5.6%
30-34	2.8%
35-39	11.1%
40-44	22.2%
45-49	8.3%
50-54	22.2%
50-59	19.4%
60+	0%
PNTS (Prefer Not To Say)	5.6%

The age profile of Board staff is skewed towards those who are in excess of 40. Only 2.8% are in the 16 – 24 age range and only 11.2% are less than 30. The age profile of the staff is an issue discussed further in the Equality Outcomes section

1.3 Profile of Workforce by Disability

WORKFORCE DISABILITY PROFILE	
	Employees
Identified as having a Disability	2.8%
Identified as not having a Disability	88.9%
PNTS	8.3%

1.5 Profile of Workforce By Marriage and Civil Partnership

WORKFORCE MARRIAGE AND CIVIL PARTNERSHIP PROFILE	
	Employees
Marital Status	
Married	69.4%
Not Married	19.5%
Civil Partnership	2.8%
PNTS	8.3%

1.6 Profile of Workforce by Nationality and Ethnic Group

WORKFORCE BY NATIONALITY PROFILE	
	Employees
Nationality	
British	97.2%
Other	0%
PNTS	2.8%

WORKFORCE BY ETHNIC GROUP PROFILE		
Ethnic Group		Employees
White	Scottish	80.5%
	English	11.1%
	Welsh	0%
	Northern Irish	0%
	Irish	0%
	Other white ethnic group,	5.6%
Mixed or Multiple Ethnic Group	Any mixed or multiple ethnic groups	0%
Asian, Asian Scottish or Asian British	Pakistani, Pakistani Scottish or Pakistani British	0%
	Indian, Indian Scottish or Indian British	0%
	Bangladeshi,	0%

	Bangladeshi Scottish or Bangladeshi British	
	Chinese, Chinese Scottish or Chinese British	0%
	Other	0%
African	African, African Scottish, African British	0%
	Other	0%
Caribbean or Black	Caribbean, Caribbean Scottish or Caribbean British	0%
	Black, Black Scottish or Black British	0%
	Other	0%
Other Ethnic Group	Arab, Arab Scottish or Arab British	0%
	Other	0%
PNTS		2.8%

1.7 Profile of Workforce By Religion or Belief

WORKFORCE RELIGION OR BELIEF PROFILE	
Religion or Belief	Employees
Buddhist	0%
Church of Scotland	33.3%
Roman Catholic	5.6%
Other Christian	8.3%
Hindu	0%
Jewish	0%
Muslim	0%
No Religion or Belief	36.1%
Sikh	0%
Pagan	0%
Other Religion or Belief	0%
PNTS	16.7%

1.8 Profile of Workforce By Sexual Orientation

WORKFORCE SEXUAL ORIENTATION PROFILE	
Sexual Orientation	Employees
Bisexual	0%
Gay	2.8%
Heterosexual/Straight	80.5%
Lesbian	0%
Prefer Not to Say	16.7%

1.9 Profile of Workforce by Occupational Segregation By Grade

WORKFORCE OCCUPATIONAL SEGREGATION BY GRADE PROFILE		
Pay Grade	Male	Female
Grades 1-5	17.02%	42.50%
Grades 6-8	19.10%	4.25%
Grades 9-10	8.50%	0%
Grade 11 and above	6.38%	2.15%

1.10 Profile of Workforce by Section and Gender

WORKFORCE BY SECTION AND GENDER PROFILE			
	All Staff	Male	Female
Administrative	57.45%	10.64%	46.81%
Technical	34.04%	34.04%	0%
Management	8.51%	6.36%	2.15%

There is a noticeable gender imbalance between the Administrative and Technical Teams and between low and high paid staff. This is an issue discussed in greater detail in the Equalities Outcomes section.

2.0 RECRUITMENT INFORMATION

2.1 Profile of Recruitment by Gender

RECRUITMENT BY GENDER PROFILE	
Gender	Percentage of Total Applications
Male	47%
Female	50%
PNTS	3%

2.2 Profile of Recruitment by Year of Birth

RECRUITMENT BY YEAR OF BIRTH PROFILE	
Decade of Birth	Percentage of Applications
1990s	11.54%
1980s	13.46%
1970s	17.30%
1960s	25.96%
1950s	22.11%
1940s	3.85%
PNTS	5.78%

2.3 Profile of Recruitment By Disability

RECRUITMENT BY DISABILITY PROFILE	
Disability	Percentage of Applications
Disabled	6.7%
Not disabled	86.6%
PNTS	6.7%

Central Scotland Valuation Joint Board gives a commitment to interview any applicant for employment who meets the minimum requirement for the job and has declared they are disabled.

2.4 Profile of Recruitment by Marriage

RECRUITMENT BY MARRIAGE PROFILE	
Marital Status	Percentage of Applications
Married	25.96%
Not Married	68.27%
PNTS	5.77%

2.5 Profile of Recruitment by Race

RECRUITMENT BY RACE PROFILE	
Ethnic Group	Percentage of Applications
White	91.35%
Other	1.92%
Prefer Not to Say	6.73%

3.0 TRAINING

3.1 Profile of Workforce Training by Gender

WORKFORCE TRAINING ATTENDANCE BY GENDER PROFILE				
	Number	% of Staff	Number of Courses	% of Courses
Male	24	43.63%	141	62.67%
Female	31	56.37%	84	37.33%

3.2 Profile of Workforce Training by Section

Section	No of Staff who received training	No. of Courses attended
Administrative	33	79
Technical	19	123
Management	3	23

3.3 Profile of Workforce Training by Grade

Pay Grade	No of Staff who received training	No. of Courses attended	% of Courses
Grades 1-5	39	122	54%
Grades 6-8	7	47	21%
Grades 9-10	5	25	11%
Grade 11 and above	4	31	14%

4.0 WORKFORCE LEAVERS

All staff leaving the service are asked to complete an exit questionnaire.

As a result of the returned questionnaires it has been confirmed that there are no equality issues with those who left the service during 2013-15.

5.0 GRIEVANCE & DISCIPLINARY

These procedures are monitored to ensure any equality issues are identified

6.0 RETURN TO WORK OF DISABLED EMPLOYEES FOLLOWING SICK LEAVE RELATING TO THEIR DISABILITY

It is recognised that this is an important area that has equality implications and will therefore continue to be closely monitored and any appropriate reporting and consequential action taken.

7.0 PROCUREMENT

Regulation 9 of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, imposes a duty on public bodies when considering award criteria and conditions in relation to public procurement, to have due regard to whether the award criteria should include considerations which will help it meet its Equality Duty. Any such award criteria should be related to and proportionate to the subject matter of the proposed agreement.

Contracts of any substance are procured through a joint framework with Councils, directly through arrangements with Clackmannanshire Council or via the Public Contracts Scotland website. Both involve procedures in accordance with the Public Contracts (Scotland) Regulations 2012. Any contracts that the Board does enter into directly are generally small in terms of the service procured and the monetary value of that service. Notwithstanding, the Board will have due regard to whether the award criteria should include considerations to enable us to better perform the Equality duty. By having due regard to the above, the Board can satisfy its requirements under Regulation 9 of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

11.0 CONCLUSIONS ON WORKFORCE MONITORING

The workforce monitoring highlights that there is still a gender imbalance between the higher paid technical division and the lower paid administration division.

The age profile of the organisation continues to have a bias towards older staff and the workforce is not very diverse in terms of ethnicity.

Training is more broadly spread across the organisation than previously. We now have fewer technical trainees than before and so this trend should continue.

Applications for new positions tend to reflect the existing makeup of the organisation with a bias to applications from older workers with a White British background.

Central Scotland Valuation Joint Board

Public Sector Equality Duty

PART 3

Equality Outcomes

Background

The Board originally adopted two Equality Outcomes, and progress on these is reported below. However following constructive feedback from the Equalities and Human Rights Commission the outcomes were reviewed and new ones introduced with effect from October 2014. The revised set of outcomes appears at the end of the document.

Given the relatively short time between the setting of the outcomes and the publication of this report, there has been less progress on these but this will of course change over the next couple of years.

Original Equality Outcome 1

To maximise opportunities for young people to enter the workforce

Basis

- Youth employment is a key national priority, with the small percentage of employees recruited directly from school identified as a key issue
- Analysis of the Board's work force has identified that none of its employees are under 18 and only 4 percent are aged 18 to 24

Activities

- The Board will consult with its partners to identify any steps it can take to assist with increasing young peoples employability
- It will promote the Board as an Employer of choice for young people
- It will expand its work experience provision
- It will review its recruitment advertising procedures to consider use of Twitter and social media sites

Success Measures

- An increase in young people being employed by the Board
- An increase in the number of young people taking part in work experience

Progress

- Recruitment has been limited over the last few years. As the age profile of applicants has tended to be older, this in turn has been reflected in the recruitment of staff. We have recruited younger staff but the number of older staff recruited has offset this
- Despite positively engaging with the education departments of the three local councils we have only been approached to offer work experience to two school pupils. Both placements have been with our IT team

Original Equality Outcome 2

To increase the representation of men and women in roles where gender segregation is evident

Basis

- In common with many public sector employers, men and women are segregated into a range of roles within the Valuation Joint Board. The Equal Opportunities Committee of the Scottish Government has identified occupational segregation as a key equality issue nationally
- Within the Administration and Technical sections there is an issue concerning gender segregation.
- The majority of staff in the Technical Sections are men and the majority of the staff in the Administration Sections are women
- The Technical Sections are on average on higher gradings than the Administrative Sections which means there is a gender pay gap
- As shown above the Board has identified gender segregation as an issue in particular areas and will endeavour to overcome this

Activities

- It will work with our partners to remove stereotypical views of occupations by gender
- It will develop a range of positive action measures to encourage males and females into non traditional roles. This may include publicity campaigns, careers events and amendments to its recruitment processes such as where and how posts are advertised
- It will analyse the percentages of males and females applying for and being successful for roles where occupational segregation is prevalent.
- It will analyse the impact of its recruitment procedures for “segregated” roles to eliminate any disadvantage
- It will work to identify any ways in which it can attract applications from the under-represented gender and dispel any stereotypical views of particular roles
- It will work with partners such as the RICS and the Constituent Councils to gain information on best practice in reducing gender segregation

Success Measures

- An increase in applications from underrepresented candidates
- An increase in underrepresented candidates being successful at interview

Progress

- We have reviewed our job advertisements to ensure there is no perceived bias in them. All posts are advertised on the myjobscotland website and we have also advertised in the three local newspapers. Despite this, the profile of applicants for posts within the organisation have not shown an increase in underrepresented candidates
- Therefore as there has not been an increase in underrepresented candidates there has not been an increase in underrepresented candidates being successful at interview

Revised Equality Outcomes 2014 – 2018

	OUTCOME	SUCCESS MEASURES	SOURCE OF EVIDENCE	PROTECTED CHARACTERISTIC	RELEVANT PARTS OF THE GENERAL EQUALITY DUTY
1	EMPLOYMENT: That Central Scotland VJB is recognised as an employer that promotes equality of opportunity and where diversity is welcomed and respected	<p>Measure (i): Perceptions of equality of opportunity</p> <ul style="list-style-type: none"> - % staff who agree that the Board promotes equality of opportunity - % of applicants for vacancies who agree that the Board promotes equality of opportunity - % of leavers who agree that the Board promotes equality of opportunity <p>Measure (ii): Diversity is welcomed and respected</p> <ul style="list-style-type: none"> - % staff who agree that diversity is welcomed and respected - Profile of staff compared to the profile of the communities we serve - Formally recorded cases of harassment - % staff declaring protected characteristic - % of leavers who agree that diversity is welcomed and respected - 	<ul style="list-style-type: none"> (i) Staff questionnaires (ii) Pre –employment questionnaires (iii) Exit questionnaires (iv) HR Records/Equality Monitoring (v) Feedback from Staff Forum 	ALL	(i) (ii) (iii)
2	SERVICE: That the services provided by Central Scotland Valuation Joint Board are promote a culture of inclusion and prevent discrimination and harassment	<ul style="list-style-type: none"> - % public who agree that the Board services are inclusive and free from discrimination - Positive Feedback or low numbers of complaints from the public - Positive feedback from groups representing the people with one or more of protected characteristics 	<ul style="list-style-type: none"> (i) Customer satisfaction questionnaires (ii) Complaints Records (iii) Public Feedback 	ALL	(i) (ii) (iii)

3	UNDERSTANDING: Everyone who works for Central Scotland VJB fully appreciates the equality duties placed upon the Board and their individual duty to promote equality and prevent discrimination and harassment	<ul style="list-style-type: none"> - % staff who disclose their protected characteristics - % of staff who state that they know and understand their and the Board's responsibility to promote equality and diversity - % of staff who know where to find information on equality and diversity - 	(i) Staff questionnaires (ii) HR Records/Equality Monitoring	ALL	(i) (ii) (iii)
4	GENDER SEGREGATION: The proportion of (a) Female staff working in the Valuation Team; and (b) Male staff working in the Electoral and Administration Teams Will be increasingly in line with the overall gender profile of staff employed by the Board	<ul style="list-style-type: none"> - % females working in the Valuation Team - % males working in the Administration and Electoral Teams 	(i) HR Records/Equality Monitoring	S	(ii)

Notes on the table

Column 5: This indicates which of the protected characteristic(s) [PC] each outcome relates to. The protected characteristics are age (A); disability (D); gender reassignment (GR); marriage & civil partnership status (MCP); pregnancy & maternity (PM); race (R); religion & belief (RB); sex (S); sexual orientation (SO).

Column 6: This column indicates which of the three parts of the general equality duty each outcome will impact upon. In carrying out its functions, the Board is expected to pay due regard to the need to:

- (i) eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- (iii) foster good relations between people who share a protected characteristic and people who do not share it.



AGENDA ITEM 9

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT ANNUAL REPORT
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 19th JUNE 2015
Author: INTERNAL AUDIT

1. INTRODUCTION

- 1.1 The purpose of this report is to present to the Joint Board the annual Internal Audit opinion on the Board's internal control environment.

2. BACKGROUND

- 2.1 Clackmannanshire Council's Internal Audit function provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board.
- 2.2 An annual opinion is required by Performance Standard 2450 of the Public Sector Internal Audit Standards (PSIAS). In line with best practice the report will be used by the Board to inform its Annual Governance Statement.

3. RECOMMENDATIONS

- 3.1 The Joint Board is asked to note the contents of this report.

Iain Burns

Internal Audit and Fraud Team Leader, Clackmannanshire Council

LIST OF BACKGROUND PAPERS

1. Internal Audit Annual Report



INTERNAL AUDIT

ANNUAL REPORT

APRIL 2014 TO MARCH 2015

INDEX	Page
1. INTRODUCTION	2
2. AUDIT OPINION	3
3. OVERVIEW OF 2013/14	4
4. QUALITY ASSURANCE	4

1. INTRODUCTION

- 1.1 The purpose of this report is to provide an independent assurance statement on the effectiveness of the financial and non financial internal controls operating within Central Scotland Valuation Joint Board in the period April 2014 to March 2015.
- 1.2 Clackmannanshire Council's Internal Audit function provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board. The provision of an Annual Report by the Internal Audit and Fraud Team Leader is required by Performance Standard 2450 of the Public Sector Internal Audit Standards (PSIAS).
- 1.3 It is the responsibility of senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system. PSIAS requires that the annual internal audit opinion must conclude on the overall effectiveness of the organisation's framework of governance, risk management and control in a report that incorporates;
- The opinion;
 - A summary of the work that supports the opinion; and
 - A statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.
- 1.4 This report has been prepared in line with the above requirements.

2. AUDIT OPINION

- 2.1 To form an opinion on the Board's control environment, Internal Audit prepares an Annual Plan which incorporates the audits to be completed during the financial year. The audits in this plan are selected with a view to determining whether the risks facing the key corporate and service objectives are being adequately managed and financial and non financial controls are operating.

Basis of Assurance

- 2.2 In forming my opinion on the Board's control environment, I have relied on different sources, including:
- The audit work undertaken by the Internal Audit and Fraud Team during the year to 31 March 2015,
 - Progress made by management in the implementation of Internal Audit recommendations,
 - Reports issued by the Council's external auditors, Deloitte LLP and other review agencies,
 - The Annual Governance Statement assurance process.
- 2.5 On this basis I am able to provide **significant** assurance upon the adequacy and effectiveness of Central Scotland Valuation Joint Board's framework of governance, risk management and control in the year to 31 March 2015.

Iain Burns

19 June 2015

**Internal Audit and Fraud Team
Leader,
Clackmannanshire Council**

Date

3. OVERVIEW OF 2014-15

- 3.1 Internal Audit and Fraud's Annual Plan for 2014/15 comprised 1 assurance audit (Valuation List - Domestic Properties) together with time allocated for follow up work and input into the Annual Governance Statement (AGS) assurance process for the 2014/15 accounts. A total of 4 weeks were included within the Annual Plan.

Assurance

- 3.2 Within the Annual Audit Plan for 2014-15 a review of the Valuation List - Domestic Properties was scheduled. The scope of the audit was to assess the adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to current domestic property values are up to date and accurate.
- 3.3 Internal Audit provided a significant level of assurance. In our opinion there is a strong control environment operating in relation to how the Central Scotland VJB mitigates the risks associated with the updating and amending of the domestic properties on the valuation list. As a result no negative findings were required to be reported and no further management action was required.

Governance

- 3.4 The Internal Audit and Fraud Team have contributed to the Annual Governance Statement assurance process through reviewing Governance arrangements. This included reviewing and challenging evidence provided by the Board in support of the assurance statements.

4. QUALITY ASSURANCE

- 4.1 All Local Authority Internal Audit teams are required to operate in accordance with the Public Sector Internal Audit Standards (PSIAS). The PSIAS formalise standards to be achieved in relation to, for example, independence, staffing and training, audit strategy and planning, reporting and performance and quality and effectiveness.

- 4.2 Some development work was identified and undertaken in 2014/15. This included re-designing the audit process to ensure that individual audit reviews focus more clearly on the key risks associated with the areas under review. We have also drafted an updated Internal Audit Charter for inclusion in financial regulations.
- 4.3 The Internal Audit and Fraud Team has also undertaken a self assessment against the PSIAS during 2014/15 with the aim of identifying further development work required. A Quality Improvement Plan has been drafted which identifies a number of areas for improvement including reviewing and updating the Internal Audit Manual and giving consideration to how independent assurance over the fraud function will be provided.



AGENDA ITEM 10

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: INTERNAL AUDIT ANNUAL PLAN 2015-16
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 19th June 2015
Author: Iain Burns, CLACKMANNANSHIRE COUNCIL

1. INTRODUCTION

- 1.1 The purpose of this report is to present the Annual Internal Audit Plan for 2015-16 on the Valuation Joint Board's internal control environment.

2. BACKGROUND

- 2.1 Clackmannanshire Council's Internal Audit and Fraud Team provide Internal Audit services on behalf of the Assessor and the Valuation Joint Board.
- 2.2 In undertaking the reviews included within the Annual Plan, the Internal Audit and Fraud Team will be able to form and provide an objective opinion on the Valuation Joint Board's control environment

3. RECOMMENDATIONS

- 3.1 The Joint Board is asked to approve the Annual Internal Audit Plan for 2015-16.

Iain Burns

Internal Audit and Fraud Team Leader, Clackmannanshire Council

LIST OF BACKGROUND PAPERS

1. Annual Internal Audit Plan 2015-16

Central Scotland Valuation Joint Board
Internal Audit Annual Plan 2015-16

Appendix A

Audit Area	Valuation Joint Board	Weeks	Risk	Quarter	Scope
Annual Assurance Report	Valuation Joint Board	2	H	Q4	This includes preparing an annual report for the Committee and input into the Annual Governance Statement (AGS) assurance process for the 2015-16 accounts.
Register of Electors- Postal and Proxy Vote Applications	Valuation Joint Board	2	M	Q4	This will review the adequacy and effectiveness of the controls and procedures in place over the processing of applications to be registered as a postal or proxy voter.
Total Time Allocated to VJB Annual Plan		4			



AGENDA ITEM 11

INTERNAL AUDIT DRAFT REPORT

Valuation List - Domestic Properties

Issued To:-

Peter Wildman	Assessor and Electoral Registration Officer, Central Scotland VJB
Jane Wandless	Assistant Assessor, Central Scotland VJB

Annual Plan	2014/15
Date Report Issued	March 2015

1. INTRODUCTION

1.1 This report details the findings of the Internal Audit review of the processes for updating the valuation list for domestic properties. The scope and terms of the review were agreed in consultation with the Assessor and Electoral Registration Officer for Central Scotland.

1.2 All domestic dwellings in the Central Scotland Valuation Area are included in the Valuation List. The Assessor places every property in one of eight valuation bands based on the capital value of the property as at April 1991. As at 29 October 2014, there were over 137,000 domestic properties on the Council Tax Valuation List in Central Scotland.

2. SCOPE AND OBJECTIVES

2.1 The scope of the audit was to assess the adequacy and effectiveness of the controls and procedures in place to ensure that the records relating to current domestic property values are up to date and accurate. This includes controls relating to access management of the valuation system and the processing of appeals..

2.2 Internal Audit, in conjunction with Senior Management, identified the key risks relating to the audit. In our opinion there is a strong control environment operating in relation to how the Central Scotland VJB mitigates the risks associated with the updating and amending of the domestic properties on the valuation list. We can provide overall **significant** assurance that risks are being adequately mitigated.

Key Risk	Assurance Assessment
The information in the Valuation List is incorrect with properties either being omitted or given a valuation other than that intended by the Valuer.	Significant
The system being accessed by unauthorised persons, with risk of collusion, fraud and financial loss.	Significant
Appeals and surveys are not dealt with timeously, leading to a delay in resolution and possible financial loss and professional credibility	Significant

3. FINDINGS

3.1 Significant assurance can be provided that the information in the Valuation List is correct. There are up to date procedures in place for scheduling and carrying out surveys, amending the valuation list and processing appeals. Employees consulted during this review were aware of the procedures and clear about their roles and responsibilities.

3.2 There are robust processes in place for ensuring that properties are identified, surveys created, valuations completed and valuation notices issued. This includes a significant checking regime with quality assurance checks carried out by independent officers on the content and accuracy of information contained in surveys and valuations and information input into the valuation system. We confirmed through testing that the checks are taking place.

3.3 Changes to the Valuation List are all notified to Falkirk, Stirling and Clackmannanshire Councils through an encrypted file. The file allows them to produce council tax bills. We reviewed a sample of surveys and can provide assurance that they were included in the Council's encrypted files.

3.4 Significant assurance can be provided that the valuation system is being accessed by authorised persons. Up to date IT Security Policies are in place which includes an IT Systems Acceptable Use Policy (AUP). All members of staff are required to sign the AUP detailing their agreement to comply with the terms and appropriate use of the Board's IT equipment and systems. Through testing we can provide assurance that members of staff have signed the AUP.

3.5 The current system used to create and record surveys and update the valuation list is called the Best Value (BV) system which was developed in house in August 2013. BV Access management is well controlled with high level arrangements defined in a User Account Management Policy. There are a limited number of officers responsible for setting up users with permissions based on job role as advised by a new users' line manager. System users and related access permissions were reviewed and we can provide assurance that they are appropriately authorised, consistent and relevant to the job role.

3.6 We can provide significant assurance that appeals and surveys are dealt with timeously. There are Key Performance indicator targets of 97% of new houses to enter the valuation list within 3 months and 99% to enter the valuation list within 6 months. This results in new house surveys being a priority and performance being monitored against targets and reported regularly to the Management Team and the Board. Management can monitor workflow through the BV System which is routinely utilised to identify backlogs and put measures in place to improve performance.

3.7 Domestic property banding right to appeal is covered by statute, namely The Local Government Finance Act 1992 and The Council Tax (Scotland) Regulations 1993. The right to appeal is publicised in new Council Tax bills, notification of banding changes letter and on the Central Scotland VJB website. There are up to date appeals procedures that clearly define the requirements and timeframes of the appeals process. The key requirements include: issuing an acknowledgement letter to the appellant within 14 days of receipt; ensuring appeal is valid and it has been received within 6 months of the appellant gaining an interest of the property or changes to the banding; any decisions are made in writing and the appellant has 28 days to respond; the appeal should be investigated within 6 months of application and if an appeal cannot be settled it should be submitted to the Valuation Appeal Committee for a decision. We reviewed a sample of appeals and can give assurance that the appeals were dealt with in line with legislation and in a timely manner.

3.8 The contents of this report have been discussed with relevant officers to confirm factual accuracy. The co-operation and assistance we received during the course of our audit is gratefully acknowledged.

4. MANAGEMENT ACTION

4.1 A robust control environment was identified during this review and as a result no findings have been reported and no further management action is required.

Assurance	Definitions
Significant Assurance	There is an adequate and effective system of risk management, control and governance to address risks to the achievement of objectives. Some improvements in a few, relatively minor, areas may be required.
Reasonable Assurance	Business objectives are likely to be achieved. However, improvements are required to enhance the adequacy/ effectiveness of risk management, control and governance.
Limited Assurance	There is considerable risk that the system will fail to meet its objectives. Significant improvements are required to improve the adequacy and effectiveness of risk management, control and governance.
No Assurance	The systems for risk, control, and governance are ineffectively designed and operated. Objectives are not being achieved and the risk of serious error or abuse is unacceptable. Significant improvements are required.

The priorities relating to Internal Audit recommendations are defined as follows:

Priority 1 recommendations are significant matters relating to factors critical to the success of the organisation. The weakness may also give rise to material loss or error or seriously impact on the reputation of the organisation and require urgent attention.

Priority 2 recommendations relate to important issues and may also give rise to material financial loss or error.

Priority 3 recommendations are usually matters that can be corrected through line management action or improvements to the efficiency and effectiveness of controls.

Priority 4 recommendations these are recommendations that improve the efficiency and effectiveness of controls. The weaknesses highlighted do not affect the ability of the controls to meet their objectives in any significant way.

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: LGPS EMPLOYER DISCRETIONS
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 19th JUNE 2015
Author: ASSESSOR AND TREASURER

1. INTRODUCTION

- 1.1 The Board is required under the terms of Local Government Pension Scheme 2015 to formulate a policy in relation to various discretions that are available under the Scheme. The (statutory) deadline for a discretions policy to be formulated and published is 30th June, 2015.

2. BACKGROUND

- 2.1 In the past the Board has simply indicated that it will follow Falkirk Council Policy. For transparency it is recommended that a specific policy document for the VJB is prepared. The advantage of a specific document for the VJB is that it provides certainty and clarity over who makes the decisions on discretionary matters.

3. PROPOSED POLICY

- 3.1 The proposed policy document has been formulated to replicate that of Falkirk Council who is the VJB's pension provider and this is consistent with previous practice.
- 3.2. The proposed policy is attached at Appendix 1. The policy document describes in the Compulsory section items about which the employer is required to have a policy. In the Non Compulsory section are listed those items where the Board is not required to have a policy but where for operational reasons it is appropriate to do so. For each regulation the scope of discretion is summarised, and the proposed discretion and authority for granting the discretion are set out.
- 3.3. In reviewing the Policy Board members may wish to note the following points of clarification:

Rule of 85

The Rule of 85 was abolished on 1st December 2006, although some scheme members contributing to the LGPS before that date may have some or all of their pension benefits protected under this rule. It is satisfied if the employee's age and

scheme membership (in whole years) at the date you draw your benefits add up to 85 or more and is used, to determine the earliest point at which benefits could be taken voluntarily from the LGPS without suffering an early retirement reduction.

Shared Cost Additional Pension Contribution

Where an employee decides to pay Additional Pension Contributions (APCs) to buy an additional amount of pension the employer can choose to contribute towards the cost. This is known as a shared cost APC (SCAPC).

Flexible Retirements

Flexible retirement does not give the employer the right to specify a retirement age. It remains within the discretion of the employee to determine when they will retire irrespective of the agreement of flexible retirement.

- 3.4 The implementation of this policy would have a net nil financial cost although there would be financial considerations on a case by case basis should the Board wish to exercise any of the discretions detailed in the policy.

4. RECOMMENDATION

- 4.1 The Board is asked to approve the LGPS Employer Discretions Policy as drafted and to its publication by 30th June 2015

Assessor
19th June 2015

Treasurer
19th June 2015

LOCAL GOVERNMENT PENSION SCHEME 2015

EMPLOYER DISCRETIONS – CENTRAL SCOTLAND VJB

COMPULSORY ITEMS:

Awarding Additional Pension : Regulation 30 LGPS (Scotland) Regulations 2014

Summary of Discretion:

Consider whether to grant extra annual pension of up to £5,000 (as increased annually by CPI from April, 2015) to an active scheme member or, within 6 months of them leaving, to a member whose employment was terminated on the grounds of redundancy or business efficiency

Proposed Discretion:

The Assessor and Treasurer will consider all relevant factors and only where it can be demonstrated to be in the interests of Central Scotland Valuation Joint Board will additional annual pension be granted. Additional pension will not be awarded if the scheme member is also being granted Compensatory Added Years on retirement.

Funding of Additional Pension : Regulations 16(2e) 16(4d) LGPS (Scotland) Regulations 2014

Summary of Discretion:

Where an active scheme member wishes to purchase extra annual pension of up to £6,500 by making Additional Pension Contributions (APCs), consider whether to contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

Proposed Discretion:

Where an active scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2015) by making APCs, Central Scotland Valuation Joint Board will not contribute towards the cost of purchasing that extra pension via SCAPCs.

Flexible Retirement : Regulation 29(6) LGPS (Scotland) Regulations 2014

Summary of Discretion:

Consider whether to permit the release of benefits on flexible retirement grounds for staff aged 55 or over who, with the agreement of the employer, reduce their working hours or grade.

Proposed Discretion:

The Assessor and Treasurer will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the best interests of Central Scotland Valuation Joint Board will benefits be released.

Any flexible retirement request will only be approved where the aggregate of pension and new salary does not exceed the former salary. Any application to reduce hours must be reasonable and not merely a token or cosmetic reduction to allow scheme benefits to be activated.

Where a flexible retirement request has been approved, the employee will be required to take all accrued benefits in relation to that employment.

**Waiving of Actuarial Reduction :
Regulation 29(8) LGPS (Scotland) Regulations 2014**

Summary of Discretion:

Members whose benefits are released prior to the Normal Pension Age (including those released on flexible retirement grounds) may incur an early payment penalty.

Consideration has therefore to be given to the circumstances in which the early payment penalty would be waived and the costs borne by the employer.

Proposed Discretion:

The Assessor and Treasurer will consider all relevant factors and only where it can be demonstrated to be in the interests of the Board or where exceptional compassionate circumstances exist will any early payment penalty be waived.

**Rule of 85 Protection:
Para 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014**

Summary of Discretion:

Scheme members who joined before 1/4/2015 and who are granted retirement between age 55 and 60 are protected in varying degrees against the early payment penalty that would normally apply to a retirement before Normal Pension Age. This is known as Rule of 85 protection. The existence of rule of 85 protection means that if retirement is authorised an employer is required to make a strain payment to the Pension Fund to compensate it for the cost of additional pension payments and the loss of future contributions and investment returns. In some cases, the strain cost may result in the retirement application being refused. Under the new scheme, the option now exists for employers to set aside the rule of 85 protection, in which case the member would receive a lesser benefit but the strain cost to the employer would either be reduced or eliminated. This new flexibility may increase the affordability of such retirements. Consideration has therefore to be given to the circumstances in which the rule of 85 protection would be set aside.

Proposed Discretion:

The Assessor and Treasurer will consider all relevant factors and only where it can be demonstrated to be in the interests of Central Scotland Valuation Joint Board will rule of 85 protection be set aside either in full or in part.

NON-COMPULSORY ITEMS:

Early Payment of Pension: Regulation 29(5) & (13) LGPS (Scotland) Regulations 2014

Summary of Discretion:

Consider whether to agree to a request for early voluntary payment of benefits on or after age 55 and before age 60.

Proposed Discretion:

The Assessor and Treasurer will consider all relevant factors and only where it can be demonstrated that exceptional compassionate circumstances exist will benefits be authorised for release on or after age 55 and before age 60.

In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.

Members' Contribution Rates : Regulation 9(3) LGPS (Scotland) Regulations 2014

Summary of Discretion:

Consider whether member's contribution rates will be reassessed where there is a permanent material change to a member's employment. Notwithstanding any material change in the member's employment, rates require to be reassessed every 1st April.

Proposed Discretion:

A member's contribution rate will be reassessed where there is a permanent material change to a member's employment eg on promotion, demotion, re-grading or a part-time member's contractual hours change.

Internal Disputes Resolution Procedure : Regulation 71(5)(c) LGPS (Scotland) Regulations 2014

Summary of Discretion:

The Local Government Pension Scheme contains its own disputes resolution procedure. For the Falkirk Fund, this involves appeals being heard by the Principal Pensions Officer of Strathclyde Pension Fund with whom the Falkirk Council Pension Fund has a reciprocal arrangement. Some appeals require to be considered by the employer in question (e.g. a dispute over the member's rate of pension contribution or the failure of the employer to grant ill health retirement). Consequently, consideration should be given as to who should be responsible for adjudicating on such "employer related" disagreements.

Proposed Discretion:

Where the appeal concerns "employer related disagreements" the specified person to hear an appeal is the Assessor or alternatively the Assistant Assessor.

Acceptance of Late Transfer Payments : Regulation 98(6) LGPS (Scotland) Regulations 2014

Summary of Discretion:

Consider whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.

Proposed Discretion:

Unless there have been administrative delays or omissions as determined by the Treasurer/Pensions Manager belated transfer payments will only be accepted where the request to transfer has been made within 12 months of participating in the Falkirk Council Pension Fund.

**Extension of 30 Day Deadline for Shared Cost APCs:
Regulation 16(16) LGPS (Scotland) Regulations 2014****Summary of Discretion:**

Consider whether to extend the 30 day deadline for a member to elect for a shared cost APC upon return from an unpaid authorised period of absence from work (n.b. does not apply to authorised leave relating to illness or injury, relevant child-related leave or reserve force service leave as separate rules apply).

Proposed Discretion:

In the event of unpaid authorised leave of absence as described above, the scheme member will be allowed to elect to buy-back the amount of "lost" pension within three months of returning from that leave of absence or within one month of them having received details of the costs of the buy-back from the employer, whichever is the later.

Any other employer discretions arising under the LGPS regulations will be considered and determined by the Assessor and Treasurer on a case by case basis.