



Tuesday, 28 November 2023

Dear Councillor

Lanarkshire Valuation Joint Board

The Members listed below are requested to attend a meeting of the above Board to be held as follows:-

Date: Monday, 04 December 2023
Time: 14:00
Venue: By Microsoft Teams and Committee Room 1,

The business to be considered at the meeting is listed overleaf.

Yours sincerely

Cleland Sneddon
Clerk to the Board

Members

Walter Brogan (Convener), Jim Reddin (Depute Convener), Bob Burgess, Kenneth Duffy, Margaret Hughes, Lesley Jarvie, Tom Johnston, Alex McVey, Anne Thomas, Janine Calikes, Ross Clark, Colin Dewar, Lynsey Hamilton, Martin Hose, Gavin Keatt, Mark McGeever

Substitutes

Nicky Shevlin, Mathew Buchanan, Poppy Corbett, Geri Gray, Cal Johnston-Dempsey, Monique McAdams, Carol Nugent, Norman Rae, Margaret B Walker

BUSINESS

1 Declaration of Interests

- 2 **Minutes of Previous Meeting** 3 - 6
Minutes of the meeting of the Lanarkshire Valuation Joint Board held on 4 September 2023 submitted for approval as a correct record. (Copy attached)

Monitoring Item(s)

- 3 **Revenue Budget Monitoring and Probable Outturn Position 2023/2024 - Lanarkshire Valuation Joint Board** 7 - 10
Report dated 8 November 2023 by the Treasurer, Lanarkshire Valuation Joint Board. (Copy attached)
- 4 **External Auditor's Annual Audit Report to the Board** 11 - 34
Letter and Annual Report by Audit Scotland, External Auditor. (Copy attached)

Item(s) for Decision

- 5 **Audited Accounts 2022/2023** 35 - 82
Report dated 16 November 2023 by the Treasurer, Lanarkshire Valuation Joint Board. (Copy attached)
- 6 **Revenue Budget 2024/2025 - Lanarkshire Valuation Joint Board** 83 - 88
Report dated 16 November 2023 by the Treasurer, Lanarkshire Valuation Joint Board. (Copy attached)

Item(s) for Noting

- 7 **Progress Update** 89 - 104
Report dated 16 November 2023 by the Assessor and Electoral Registration Officer, Lanarkshire Valuation Joint Board. (Copy attached)

Urgent Business

- 8 **Urgent Business**
Any other items of business which the Convener decides are urgent.

For further information, please contact:-

Clerk Name:	Stuart McLeod
Clerk Telephone:	07385 370 117
Clerk Email:	stuart.mcleod@southlanarkshire.gov.uk

LANARKSHIRE VALUATION JOINT BOARD

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Minutes of meeting held via Microsoft Teams and in Committee Room 1, Council Offices, Almada Street, Hamilton on 4 September 2023

Convener:

Councillor Walter Brogan, South Lanarkshire Council

Councillors Present:

North Lanarkshire Council

Councillor Bob Burgess, Councillor Kenneth Duffy, Councillor Lesley Jarvie, Councillor Tom Johnston, Councillor Alex McVey, Councillor Jim Reddin (Depute), Councillor Anne Thomas

South Lanarkshire Council

Councillor Ross Clark, Councillor Colin Dewar, Councillor Martin Hose, Councillor Gavin Keatt

Councillors' Apologies:

North Lanarkshire Council

Councillor Margaret Hughes

South Lanarkshire Council

Councillor Janine Calikes, Councillor Lynsey Hamilton, Councillor Mark McGeever

Attending:

Assessor and Electoral Registration Service

R Pacitti, Assessor and Electoral Registration Officer; C Maxwell, Assistant Assessor and Electoral Registration Officer

Clerk's Office

C Sneddon, Clerk; S McLeod, Administration Officer; L Wyllie, Administration Assistant, South Lanarkshire Council

Treasurer's Office

P Manning, Treasurer; J Taylor, Head of Finance (Strategy), South Lanarkshire Council

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Lanarkshire Valuation Joint Board held on 5 June 2023 were submitted for approval as a correct record.

The Board decided: that the minutes be approved as a correct record.

3 Revenue Budget Monitoring 2023/2024 - Lanarkshire Valuation Joint Board

A report dated 16 August 2023 by the Treasurer was submitted:-

- ◆ comparing the Board's actual expenditure at 11 August 2023 against the budgeted expenditure for 2023/2024
- ◆ providing a forecast for the year to 31 March 2024

The UK Government had allocated £0.049 million of funding to the Board for 'New Burdens' which related to the implementation of Voter Authority Certificates. The budget, shown in Appendix A of the report, had taken account of the additional funding and included an additional expenditure budget to allow spend to be made appropriately.

As at 11 August 2023, there was an underspend on the Board's revenue budget of £0.174 million.

The financial forecast to 31 March 2024 was a breakeven position.

The Treasurer advised that it was unlikely that Audit Scotland would complete the audit of the Board's accounts for 2022/2023 within the indicated timescale and added that an update would be provided to the Board in due course.

The Treasurer and Assessor and Electoral Registration Officer responded to members' questions on the:-

- ◆ recruitment and retention of staff
- ◆ route for trainee valuers to achieve graduate status

The Board decided:

- (1) that the underspend of £0.174 million on the Lanarkshire Valuation Joint Board's revenue budget at 11 August 2023, as detailed in Appendix A to the report, be noted; and
- (2) that the forecast to 31 March 2024 of breakeven be noted.

[Reference: Minutes of 5 June 2023 (Paragraph 4)]

4 Changes in Membership of the Board

A report dated 17 August 2023 by the Clerk was submitted on changes to North Lanarkshire Council's membership of the Lanarkshire Valuation Joint Board.

At the meeting of North Lanarkshire Council held on 22 June 2023, it had been agreed that Councillor Kenneth Duffy replace Councillor William Shields and Councillor Margaret Hughes replace Councillor Fergus MacGregor as members of the Lanarkshire Valuation Joint Board.

The Board decided:	that it be noted that Councillor Kenneth Duffy had replaced Councillor William Shields and Councillor Margaret Hughes had replaced Councillor Fergus MacGregor as nominated representatives of North Lanarkshire Council on the Lanarkshire Valuation Joint Board.
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5 Progress Update

A report dated 28 August 2023 by the Assessor and Electoral Registration Officer was submitted on:-

- ◆ an overview of the Service
- ◆ current issues and Service priorities
- ◆ an update on performance
- ◆ issues affecting the future direction of the Joint Board

Statistical information, illustrating progress made in terms of key areas of the work undertaken by Lanarkshire Valuation Joint Board, was provided in the appendices to the report.

The Assessor and Electoral Registration Officer advised that a by-election would be held in the Motherwell South East and Ravenscraig ward of North Lanarkshire Council on 16 November 2023.

The Assessor and Electoral Registration Officer and Clerk responded to members' questions on the:-

- ♦ use of photographic voter ID during the Rutherglen and Hamilton West recall petition and the forthcoming resultant by-election
- ♦ arrangements to publicise the requirement for photographic voter ID

The Board decided: that the report be noted.

[Reference: Minutes of 5 June 2023 (Paragraph 13)]

6 Urgent Business

There were no items of urgent business.

Report

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Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	4 December 2023
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	Revenue Budget Monitoring and Probable Outturn Position 2023/2024 - Lanarkshire Valuation Joint Board
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide a forecast for the year to 31 March 2024
- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April to 3 November 2023

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):-

- (1) that it be noted that, following the Probable Outturn exercise, the transfer to Reserves for the current financial year is £0.120 million (section 4.1 and Appendix A);
- (2) that it be noted that, following the transfer to Reserves of £0.120 million, the Reserves balance at the end of March 2024 will be £1.841 million (section 4.4); and
- (3) that an underspend to date of £0.316 million on Lanarkshire Valuation Joint Board's revenue budget as at 3 November 2023 (section 4.8 and Appendix A), be noted.

3. Background

3.1. This is the third revenue budget monitoring report presented to the Lanarkshire Valuation Joint Board for the financial year 2023/2024.

3.2. The report details the financial position for Lanarkshire Valuation Joint Board as at 3 November 2023 as well as detail on the annual Probable Outturn exercise carried out for financial year 2023/2024. These are detailed in section 4 and shown in Appendix A.

4. 2023/2024 Probable Outturn and Revenue Monitoring

4.1. Appendix A shows the results of the Probable Outturn exercise. The financial forecast to 31 March 2024 is a transfer to Reserves of £0.120 million. This is compared to a budgeted transfer from Reserves of £0.272 million and means that the Board's Reserves will be in a better position than budgeted, by £0.392 million.

- 4.2. The improved position is mainly the result of the ongoing underspend in Employee Costs (£0.358 million) and Administration Costs (£0.018 million). In addition, within Financing Charges there is an over recovery of interest receivable on the Board's revenue balances (£0.028 million). These are partially offset by minor overspends in Supplies and Services (£0.007 million) and Central Support Costs (£0.005 million). Explanations for these variances are detailed overleaf.
- ◆ **Employee Costs:** The underspend (£0.358 million) mainly reflects the level of turnover experienced in staffing to date and vacant posts, for which recruitment is ongoing. In arriving at this position, an assumption has been made regarding recruitment timescales as well as anticipated impact from the pay award. In addition, changes to senior management posts have added to the underspend due to the timing of appointments and the starting grades of new personnel in post.
 - ◆ **Administration Costs:** The underspend (£0.018 million) mainly reflects lower than budgeted for costs of Engaging Counsel in relation to valuation appeals following the transfer of the Valuation Appeal Panel to the Scottish Courts and Tribunal Services.
 - ◆ **Financing Charges:** The over recovery of interest receivable on the Board's revenue balances (£0.028 million) reflects the increase in the interest rates in late 2022/2023 and which have continued into 2023/2024.
 - ◆ **Supplies and Services:** The overspend (£0.007 million) reflects increased costs of computer equipment maintenance and office equipment maintenance to ensure disability adaptations needs are met.
- 4.3. It should be noted that the probable outturn position is based on best information as at November 2023. The staffing position and the effect of inflation will continue to be monitored and the Board will be updated on any significant changes to the forecast position as the year progresses.
- 4.4. **Reserves:** As noted in section 4.1, in order to balance Probable Outturn position, there will be a transfer to Reserves of £0.120 million. At the end of 2022/2023, the Board carried forward £1.721 million into 2023/2024. Taking these together means that a balance of £1.841 million will be carried into 2024/2025.
- 4.5. **Barclay Funding:** While the Board was allocated £0.698 million from the Scottish Government (through councils) for the current year (2023/2024), there is no agreement yet from the Scottish Government on funding for 2024/2025. While spend is being incurred on the implementation of the Barclay recommendations, the uncertainty of long-term funding means that this will be managed on an ongoing basis until future funding levels are clarified. The probable outturn position reflects the anticipated spend in the current year. Spend levels will continue to be monitored during the year and a final position noted at the year-end.
- 4.6. It is expected that as the recommendations from the Barclay report are fully implemented, costs will significantly rise in future years. The funding is normally notified alongside the Local Government Settlement. The Board will be updated as further information is known.
- 4.7. **Budget Virements:** Appendix A includes some minor budget virements to reflect service delivery. These include the realignment of budget for travel expenses and also the use of the New Burdens monies.

- 4.8. **Period 8 Monitoring Position:** As at 3 November 2023, the variance from phased budget to date is an underspend of £0.316 million. This is shown in Appendix A.
- 4.9. This is a continuation of the previously reported position and reflects the position as at accounting period 8. At this time, the monitoring does not include any impact of the 2023/2024 Pay Award, however, an estimate of the cost is included in the Probable Outturn position detailed in Appendix A.
- 5. Financial Implications**
- 5.1. The financial implications are noted in section 4 of the report.
- 6. Employee Implications**
- 6.1. None
- 7. Climate Change, Sustainability and Environmental Implications**
- 7.1. There are no climate change, sustainability or environmental implications in terms of the information contained in this report.
- 8. Other Implications**
- 8.1. The main risk associated with the Board's Revenue Budget is that there is an overspend. The risk has been assessed as low given the detailed budget management applied. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.
- 9. Equality Impact Assessment and Consultation Arrangements**
- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.
- 9.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Paul Manning
Treasurer

8 November 2023

Previous References

- ◆ Revenue Budget Monitoring 2023/2024 – Lanarkshire Valuation Joint Board – 5 June 2023
- ◆ Revenue Budget Monitoring 2023/2024 – Lanarkshire Valuation Joint Board – 4 September 2023

List of Background Papers

- ◆ Revenue Budget 2023/2024 – Lanarkshire Valuation Joint Board – 5 December 2022

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

LANARKSHIRE VALUATION JOINT BOARD

Revenue Budget Monitoring Report

Period Ended 3 November 2023 (No.8)

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 03/11/23	Actual 03/11/23	Variance 03/11/23		% Variance 03/11/23	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	3,261	2,903	358	1,828	1,504	324	under	17.7%	1,a
Property Costs	0	0	0	0	0	0	-	n/a	
Supplies & Services	159	166	(7)	124	126	(2)	over	1.6%	
Transport and Plant	5	5	0	2	2	0	-	0.0%	a
Administration Costs	490	472	18	336	337	(1)	over	(0.3%)	b
Payments to Other Bodies	31	31	0	6	6	0	-	0.0%	
Financing Charges	13	(15)	28	2	2	0	-	0.0%	
Total Controllable Exp.	3,959	3,562	397	2,298	1,977	321	under	14.0%	
Total Controllable Inc.	(60)	(60)	0	(42)	(42)	0	-	0.0%	b
Net Controllable Exp.	3,899	3,502	397	2,256	1,935	321	under	14.2%	
Add Non Controllable Budgets									
Central Support Costs	381	386	(5)	16	21	(5)	over	(31.3%)	2
Total Budget	4,280	3,888	392	2,272	1,956	316	under	13.9%	
Funded By:									
North Lanarkshire Council	2,004	2,004	0	1,169	1,169	0	-	0.0%	
South Lanarkshire Council	2,004	2,004	0	1,169	1,169	0	-	0.0%	
Transfer From / (To) Reserves	272	(120)	392	0	0	0	-	n/a	
Net Budget	0	0	0	(66)	(382)	316	under	-	

Variance Explanations**1. Employee Costs**

The underspend reflects vacant posts for which recruitment is ongoing.

2. Central Support Costs

Additional Office Accommodation costs associated with David Dale House have been incurred as a one-off payment in 2023/24.

Virement

- a. **Realignment of Travel Expenses Budget (£nil effect)** – Decrease Employee Costs Travel Expenses budget by £0.005m and increase Transport and Plant Pool Car Recharges budget by £0.005m to reflect increased use of pool cars instead of employees' own cars.
- b. **Realignment of New Burdens Funding (£nil effect)** – Net Decrease in Administration Costs (£0.022m) and net decrease in Income (£0.022m) to reflect the realignment of New Burdens funding between the Board and the South Lanarkshire Council Elections' Office. The Board's remaining expenditure and income budget of £0.027m is for Electoral Integrity.

Lanarkshire Valuation Joint Board

04 December 2023

Lanarkshire Valuation Joint Board Audit of 2022/23 annual accounts

Independent auditor's report

1. Our audit work on the 2022/23 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 4 December 2023 (the proposed report is attached at [Appendix A](#)).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Lanarkshire Valuation Joint Board's consideration our draft annual report on the 2022/23 audit. The section headed "Significant findings and key audit matters" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions on the wider scope areas that frame public audit as set out in the Code of Audit Practice.

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

Unadjusted misstatements

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

6. We have no unadjusted misstatements to be corrected.

Fraud, subsequent events and compliance with laws and regulations

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

Representations from Section 95 Officer

8. As part of the completion of our audit, we are seeking written representations from the Section 95 Officer on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

Outstanding matters

There are some areas where we still require additional information, and these are identified below:

- Revised set of accounts
- The agreement of a number of our income and expenditure sample items to the bank
- Payroll existence sample testing
- Bank statements for cut-off testing

APPENDIX A: Proposed Independent Auditor's Report

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Lanarkshire Valuation Joint Board for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Lanarkshire Valuation Joint Board as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 16 March 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the Lanarkshire Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Lanarkshire Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the

Lanarkshire Valuation Joint Board ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the Lanarkshire Valuation Joint Board current or future financial sustainability. However, I report on the Lanarkshire Valuation Joint Board arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

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

Responsibilities of the Treasurer and Lanarkshire Valuation Joint Board for the financial statements

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

In preparing the financial statements, the Treasurer is responsible for assessing the Lanarkshire Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the Lanarkshire Valuation Joint Board's operations.

The Lanarkshire Valuation Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the Lanarkshire Valuation Joint Board;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Lanarkshire Valuation Joint Board;

- inquiring of the Treasurer concerning the Lanarkshire Valuation Joint Board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Lanarkshire Valuation Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

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

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

Other information

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

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary

and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Pauline Murray

Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

APPENDIX B: Letter of Representation (ISA 580)

Pauline Murray
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Dear Pauline Murray

Annual accounts 2022/23

1. This representation letter is provided about your audit of the annual accounts of for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.

2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Joint Board, the following representations given to you in connection with your audit of Lanarkshire Valuation Joint Board's annual accounts for the year ended 31 March 2023.

General

3. Lanarkshire Valuation Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2022/23 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Lanarkshire Valuation Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.

4. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (2022/23 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Lanarkshire Valuation Joint Board at 31 March 2023 and the transactions for 2022/23.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2022/23 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All

accounting policies applied are appropriate to Lanarkshire Valuation Joint Board's circumstances and have been consistently applied.

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

Going Concern Basis of Accounting

9. I have assessed Lanarkshire Valuation Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Lanarkshire Valuation Joint Board's ability to continue as a going concern.

Assets

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

Liabilities

11. All liabilities at 31 March 2023 of which I am aware have been recognised in the annual accounts.

12. The accrual recognised in the financial statements for holiday untaken by 31 March 2023 has been estimated on a reasonable basis.

13. The pension assumptions made by the actuary in the IAS 19 report for Lanarkshire Valuation Joint Board have been reviewed and I confirm that they are consistent with management's own view.

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

Contingent liabilities

15. There are no significant contingent liabilities, other than those disclosed in Note 9 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the 2022/2023 accounting code and IAS 37.

Fraud

16. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements

- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

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

Related Party Transactions

18. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2022/23 accounting code. I have made available to you the identity of all the Lanarkshire Valuation Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

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

Management commentary

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

Corporate Governance

21. I confirm that the Lanarkshire Valuation Joint Board has undertaken a review of the system of internal control during 2022/23 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

22. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2023, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

23. All events subsequent to 31 March 2023 for which the 2022/23 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Paul Manning

Treasurer to the Lanarkshire Valuation Joint Board

Lanarkshire

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Valuation Joint Board

2022/23 Annual Audit Report – DRAFT



 AUDIT SCOTLAND

Prepared for the Lanarkshire Valuation Joint Board and the Controller of Audit
November 2023

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Key messages

2022/23 annual accounts

- 1** The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- 2** The audited part of the remuneration report, management commentary and the annual governance statement were properly prepared in accordance with the applicable requirements.
- 3** One material adjustment of £0.496 million was made to the annual accounts to correctly recognise a liability for unfunded pensions on its balance sheet.

Wider scope

- 4** The Joint Board has a medium-term financial strategy in place but will continue to face significant financial challenges in the future.
- 5** The Joint Board has appropriate arrangements in place for securing Best Value.

Introduction

1. This report summarises the findings from the 2022/23 annual audit of Lanarkshire Valuation Joint Board (the Joint Board). The scope of the audit was set out in an Annual Audit Plan presented to the 5 June 2023 meeting of the Joint Board. This Annual Audit Report comprises:

- significant matters arising from an audit of the annual accounts
- conclusions on wider scope areas that frame public audit as set out in the [Code of Audit Practice 2021](#), which for less complex bodies includes conclusions on financial sustainability and Best Value

2. This report is addressed to Lanarkshire Valuation Joint Board and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Audit appointment from 2022/23

3. I, Pauline Murray, have been appointed by the Accounts Commission as auditor of Lanarkshire Valuation Joint Board for the period from 2022/23 until 2026/27. The 2022/23 financial year was the first of my five-year appointment. My appointment coincides with the new [Code of Audit Practice](#) (the Code) which was introduced for financial years commencing on or after 1 April 2022.

4. My team and I would like to thank management and staff for their cooperation and assistance and we look forward to working together constructively over the course of the appointment.

Responsibilities and reporting

5. The Joint Board has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The Joint Board is also responsible for compliance with legislation and putting arrangements in place for governance and propriety.

6. The responsibilities of an independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2021](#) and supplementary guidance and International Standards on Auditing in the UK.

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

Auditor Independence

8. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2022/23 audit fee of £8,800 as set out in our 2022/23 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

9. We add value to the Joint Board by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- sharing intelligence and good practice identified.

Part 1. Audit of 2022/23 annual accounts

Public bodies are required to prepare annual accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship public funds.

Main judgements

Audit opinions on the annual accounts are unmodified.

One material adjustment of £0.496 million was made to the annual accounts as a result of the audit process.

Audit opinions on the annual accounts are unmodified

10. The Joint Board approved the annual accounts for the year ended 31 March 2023 on 4 December 2023. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

Overall materiality was assessed on receipt of the annual accounts as £0.091 million

11. Broadly, the concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the accounts, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

12. Our initial assessment of materiality was carried out during the risk assessment and planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

Exhibit 1

Materiality values

Materiality level	Amount
Overall materiality	£0.091 million
Performance materiality	£0.068 million
Reporting threshold	£4,500
Source: Audit Scotland	

13. The overall materiality threshold was set with reference to gross expenditure, which we judged as the figure most relevant to the users of the financial statements.

14. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 75% of overall materiality, reflecting no significant errors or material adjustments made in prior year.

15. It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance.

Significant findings and key audit matters

16. Under International Standard on Auditing (UK) 260, we communicate significant findings from the audit to the Joint Board, including our view about the qualitative aspects of the body's accounting practices.

17. The Code of Audit Practice also requires all audits to communicate key audit matters within the annual audit report under International Standard on Auditing (UK) 701. These are matters that we judged to be of most significance in our audit of the financial statements.

18. We have no significant findings to report from the audit.

Our audit work responded to the risks of material misstatement we identified in the annual accounts

19. We have obtained audit assurances over the identified significant risks of material misstatement to the annual accounts. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2022/23 Annual Audit Plan. It also summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 2**Identified significant risks of material misstatement in the annual accounts**

Audit risk	Assurance procedure	Results and conclusions
1. Risk of material misstatement due to fraud caused by management override of controls As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	<ul style="list-style-type: none"> • Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • Tested journals at the year-end and post-closing entries with focus on significant risk areas. • Evaluated significant transactions outside the normal course of business. • Assessed the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. 	We found no instances of material misstatement due to fraud caused by management override of controls.

Source: Audit Scotland, Annual Audit Plan 2022/23

20. In addition, we identified one “area of audit focus” in our 2022/23 Annual Audit Plan where we considered there to be other risks of material misstatement to the financial statements. The area of specific audit focus was:

- Pension liability valuation – there is a significant degree of subjectivity in the measurement and valuation of the pension liability included in the annual accounts. The valuation is based on specialist and management assumptions and changes in these can result in material changes to the pension liability. We utilised the work of PwC as auditor expert in assessing the reasonableness of the methodology used and assumptions made by the Joint Board’s actuary, Hymans Robertson LLP, in arriving at the IAS 19 pension valuation as at 31 March 2023.

21. A significant increase in the net discount rate in year led to a large decrease in the pension liability which resulted in a net asset position.

22. The Accounting Standard (IFRIC 14) imposes a limit on the maximum amount of surplus which can be recognised. A further actuarial calculation was requested by the Joint Board to restrict the asset recognised to the benefit the Joint Board anticipates receiving. This resulted in the net pension asset held on

the balance sheet being limited to £0.289 million by making a £10.562 million adjustment. We have considered the assumptions and methodology applied in determining the net asset and are satisfied these are consistent with the requirements of IFRIC 14.

23. The accounts also required a pension liability in relation to unfunded liabilities to be recognised. The Joint Board made an adjustment to the unaudited accounts to correctly recognise a liability of £0.496 million for unfunded pensions on its balance sheet.

One material misstatement was identified and corrected for

24. Other than the corrected material misstatement for the unfunded pension liability (detailed at [paragraph 23](#)), our audit identified no misstatements above our reporting threshold. In addition, we have no unadjusted misstatements to report.

The unaudited annual accounts were received in line with the agreed timetable

25. The unaudited annual accounts were received in line with our agreed audit timetable on 29 June 2023.

26. Our original audit timetable included a target date for the delivery of our final outputs of September 2023. However, the delays in commencing our audit work this year due to overruns as a result of the Covid-19 pandemic and the need to maintain the quality of our audit, led to a review of resource plans across all audits. We agreed a revised timetable with officers on the delivery of our audit fieldwork for completion.

Follow up of prior year recommendations

27. There were no actions raised in our [2021/22 Annual Audit Report](#).

Part 2. Wider Scope

For less complex bodies wider-scope audit work considers the financial sustainability of the body and the services that it delivers over the medium to longer term, and the arrangements for securing Best Value

Conclusion

The Joint Board has a medium-term financial strategy in place but will continue to face significant financial challenges in the future

The Joint Board has appropriate arrangements in place for securing Best Value

The Joint Board reported an underspend of £0.302 million against its final budget in 2022/23

28. The Joint Board is mainly funded by requisitions from its constituent members, North Lanarkshire Council and South Lanarkshire Council.

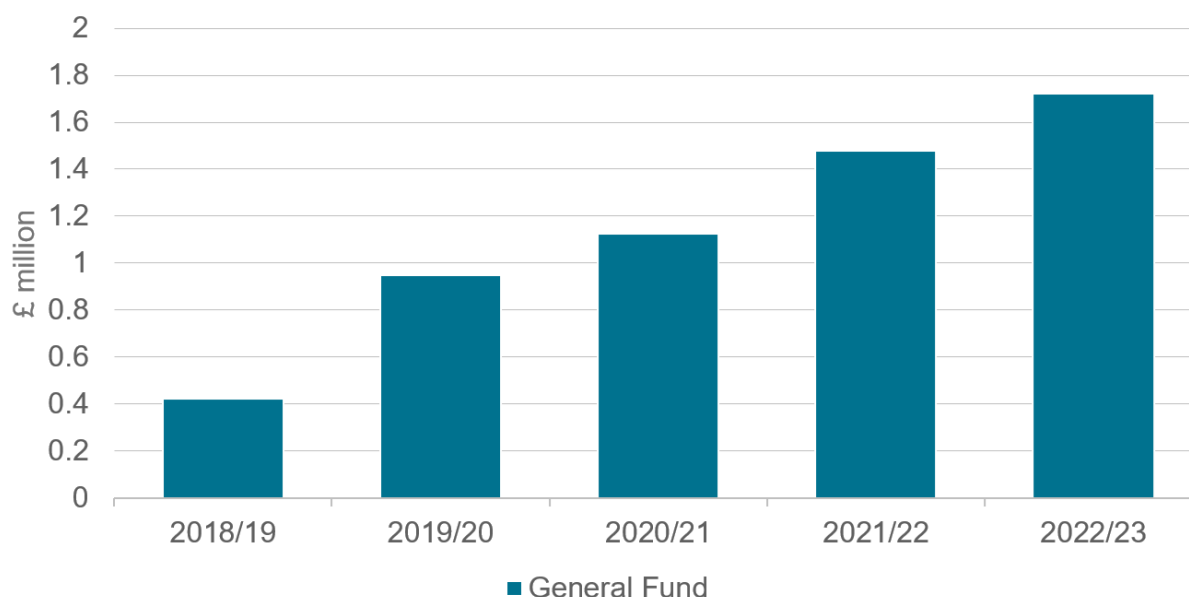
29. The Joint Board approved its 2022/23 budget in December 2021. This was set based on net expenditure of £3.665 million, with a planned contribution from the Joint Board's reserves of £0.193 million. During the year, this budget was revised to include additional funding received to support the Barclay review of £0.698 million. Therefore, the final budget for 2022/23 was £4.265 million for 2022/23.

30. The actual outturn reported for 2022/23 was total net expenditure of £3.963 million and total income of £4.205 million, resulting in an underspend of £0.242 million. When compared with the final budget of £4.265 million, there is an actual underspend of £0.302 million.

31. The underspend was largely in relation to employee costs which reported an underspend against budget of £0.220 million (£0.546 million in 2021/22). This was due to turnover of staff and difficulties in recruiting staff. Underspends in employee costs in recent years have led to a steady increase in the General Fund reserve balance, see [Exhibit 3](#).

Exhibit 3

Analysis of General Fund 2018/19 to 2022/23



Source: Lanarkshire VJB audited annual accounts 2018/19 to 2022/23

The Joint Board has a medium-term financial strategy in place but will continue to face significant financial challenges in the future

32. The Joint Board approved an update to its medium-term 'Financial Strategy 2023/24 to 2025/26' in June 2022. This outlines the Joint Board's planned management of its budget and reserves over this period. The strategy allows management and members to consider the impact of the Joint Board's increased workload set against the challenging financial climate faced by public sector bodies.

33. The main area of uncertainty in the strategy relates to Barclay funding. The strategy assumes that Barclay funding will remain at the same level as 2022/2023 at £0.698 million for the remainder of the current parliamentary term.

34. The Scottish Government has not provided any information beyond 2024/2025. Therefore, there is a risk that Barclay funding is reduced or removed after this period. The Joint Board considers the forecast reserve balance of £0.534 million as at 2025/26 to be reasonable to mitigate this risk.

35. The Joint Board's budget for 2023/2024 was approved in December 2022. The revised expenditure budget totals £4.280 million and is funded by contributions from councils and the use of Reserves (£0.272 million).

36. The Joint Board acknowledges its challenging financial plans over the medium-term as it plans to use £1.187 million of its reserve balance and also achieve efficiency savings of £0.249 million over this period. This will allow the

Joint Board to reduce the contributions required from both constituent member councils.

37. Overall, the Joint Board's financial strategy provides assurance over the medium-term financial outlook and therefore the provision of services.

The Joint Board has appropriate arrangements in place for securing Best Value

38. The Joint Board has a specific responsibility to ensure that arrangements have been made to secure Best Value.

39. The Joint Board's Service Plan was approved in March 2022 and covers the three-year period from April 2022 to March 2025. The Service Plan sets out the key business areas identified for Lanarkshire Valuation Joint Board over this period to ensure that services are delivered as effectively and efficiently as possible to service users.

40. Service performance is measured by standard performance indicators agreed between the Scottish Government and the Scottish Assessors' Association. The Joint Board reports performance against its key performance indicator targets in the annual accounts:

41. Of 3,009 new Council Tax entries added, 90% were completed within 3 months of the effective date against a target of 87%. 98% were completed within 6 months against a target of 92%

42. Of 1,147 alterations to the non-domestic valuation roll, 53% were completed within 3 months of the effective date against a target of 77% and 68% were completed within 6 months against a target of 92%.

43. The three-monthly and six-monthly targets for the non-domestic valuations roll were not met. The Joint Board has reported that this was partly due to the challenges presented by the extensive preparatory work associated with the 2023 non-domestic revaluation.

44. A further contributing factor to these missed targets was a drive to dispose of as many of the outstanding Council Tax appeals and proposals prior to the changeover from the Valuation Appeal Committee to the new Scottish Courts and Tribunals Service which was effective from 1 April 2023. The Joint Board also continues to experience challenges in retaining and recruiting staff.

45. Performance information is accessible to all stakeholders, including service users through the Joint Board's website.

Lanarkshire Valuation Joint Board

2022/23 Annual Audit Report – DRAFT

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility



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Report

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Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	4 December 2023
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	Audited Accounts 2022/2023
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1. Purpose of Report

1.1. The purpose of the report is to:

- ♦ advise members of the requirement to approve the Audited Accounts for 2022/2023 for signature, following the external audit of the Accounts

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):-

- (1) that it be noted that the Accounts 2022/2023 received a clean audit certificate (section 4.3.);
- (2) that the Audited Accounts 2022/2023, be approved for signature (Appendix 1); and
- (3) that it be noted that the Audited Accounts 2022/2023 will be available on the Board's website (section 4.4).

3. Background

- 3.1. The Board's external auditor, Audit Scotland, is required to supply an audit certificate outlining the findings of the audit process undertaken in relation to the Accounts 2022/2023.
- 3.2. Following the publication of The Local Authority Accounts (Scotland) Regulations 2014, the members of the Board have to meet to consider whether to approve the audited Accounts for signature. The members are also required to have regard to any report made or advice provided on the Accounts by the auditor.

4. Audited Accounts

- 4.1. As noted in 3.2. above, members are now required to approve the Audited Accounts for signature. Appendix 1 attached provides a copy of the Accounts for members' consideration.
- 4.2. The Board's current external auditors, Audit Scotland, have completed an audit which extends across the 2022/2023 Accounts and related matters.
- 4.3. In summary, the report provides a clean audit certificate. There were no issues arising from the 2022/2023 audit work which merited a recommendation or action plan point.

- 4.4. The Audited Accounts for 2022/2023 will be uploaded to the Lanarkshire Valuation Joint Board website. Paper copies are also available on request from Finance Services, Floor 4, Council Offices, Almada Street, Hamilton or from the Assessor's office at David Dale House, Blantyre.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. The financial details of the Auditor's report are contained within section 4 above.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no climate change, sustainability or environmental implications in terms of the information contained in this report.

8. Other Implications

- 8.1. The main risk associated with the Board's Annual Report and Accounts is a qualified audit report. The risk was minimised by the detailed preparation in relation to the year end process and training undertaken by key finance staff. Finance and the Board's staff work together to achieve key deadlines and actions set from timetables. This has resulted in a clean audit certificate.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 9.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Paul Manning
Treasurer

16 November 2023

Previous References

- ◆ Lanarkshire Valuation Joint Board Unaudited Annual Report and Accounts 2022/2023 (Board Meeting, 5 June 2023)

List of Background Papers

- ◆ External Auditor's report

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Lorraine O'Hagan, Finance Manager (Strategy)

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E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

LANARKSHIRE VALUATION JOINT BOARD
ANNUAL ACCOUNTS
2022/2023



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Membership of the Board (2022/2023)

Lanarkshire Valuation Joint Board (herein after referred to as 'the Board') is comprised of Elected Members from its two constituent local authorities. The serving Members of the Board during financial year 2022/2023 were as noted below:

South Lanarkshire Council

Councillor Walter Brogan (Convener)*
Councillor Janine Calikes
Councillor Ross Clark
Councillor Colin Dewar
Councillor Lynsey Hamilton
Councillor Martin Hose
Councillor Gavin Wylie Keatt
Councillor Mark McGeever

North Lanarkshire Council

Councillor Jim Reddin (Depute Convener)*
Councillor Bob Burgess
Councillor Lesley Jarvie
Councillor Tom Johnston
Councillor Fergus MacGregor
Councillor Alex McVey
Councillor William Shields
Councillor Anne Thomas

*Councillor Walter Brogan was elected as Convener of the Board and Councillor Jim Reddin was elected as Depute Convener of the Board at its meeting on 27 June 2022

Chief Officers

Assessor and Electoral Registration Officer: Gary Bennett BSc MSc AEA (Cert-Scotland) MRICS
IRRV (Hons)
(until 31 May 2023)

Renzo Pacitti BSc MRICS
(from 5 June 2023)

The following appointed office bearers of the Board are employed on a substantive basis by South Lanarkshire Council:

Clerk: Cleland Sneddon
(Chief Executive of South Lanarkshire Council)

Treasurer: Paul Manning
(Executive Director of Finance and Corporate Resources, South Lanarkshire Council)

The management commentary provides an overview of the key messages in relation to the objectives and strategy of Lanarkshire Valuation Joint Board (the Board) and its financial performance for the year ended 31 March 2023. It also provides an indication of the issues and risks that may impact upon the Board's finances in the future.

The Board was established by the Valuation Joint Boards (Scotland) Order 1995 and came into existence on 1 April 1996. It provides a range of valuation and electoral registration services to and on behalf of South Lanarkshire Council and North Lanarkshire Council (the constituent authorities), working in partnership with other Valuation Joint Boards and professional bodies throughout Scotland.

Core Purpose, Vision, Service Function and Core Objectives

The Board's Service Plan was approved at the Board meeting in March 2022 and covers the period April 2022 through to March 2025. The Plan incorporates the Board's Vision statement which is "to deliver quality in the work which we undertake, provide efficient services to all service users, and ensure completeness and accuracy of the Electoral Register, Valuation Roll and the Valuation (Council Tax) List".

The Plan sets out the key business areas identified for Lanarkshire Valuation Joint Board over the three-year period, with a view to ensuring that the Board's services are delivered as effectively and efficiently as possible to service users.

Where deemed appropriate, each key business area is supported by a series of priorities and measurable key actions, against which performance is regularly reported to the Board.

Review of Performance

The Board's performance against key performance indicator (KPI) targets during 2022/2023 is detailed below:

Of 3,009 new Council Tax entries added, 90% were completed within 3 months of the effective date against a target of 87%. 98% were completed within 6 months against a target of 92%.

Of 1,147 alterations to the non-domestic valuation roll, 53% were completed within 3 months of the effective date against a target of 77% and 68% were completed within 6 months against a target of 92%. The three-monthly and six-monthly targets were not met, essentially due to the challenges presented by the extensive preparatory work associated with the 2023 non-domestic revaluation.

With regards to electoral registration, within the period 2022/2023, the principal activities centred on maintaining the completeness and accuracy of the registers. All scheduled tasks associated with the Scottish Local Government Elections on 5 May 2022 were undertaken timeously. During the period 2022/23 there were no by-elections in either North or South Lanarkshire.

The annual canvass of electors 2022 was subject to major reform with the introduction of The Representation of the People (Annual Canvass) (Miscellaneous Amendments) (Scotland) Regulations 2020. Under the reformed canvass, data matching was used at the outset of the canvass to help identify those properties where the residents are more likely to have changed. All Electoral Registration Officers in Great Britain were required to match specified data they hold on registered electors, against the Department for Work and Pensions' Customer Information System (DWP CIS) dataset. This dataset is already used in the electoral registration process to verify an applicant's identity.

For the 2022 annual canvass of electors, circa 254,000 households were issued with the new Canvass Communication A form (CCA), which advised who was on the register and that unless there was a change in the household no return was required. A further stage to the reformed annual canvass process involved the issuing of circa 62,500 Canvass Forms (CF) to households which didn't match during the aforementioned exercise. Furthermore, a new Canvass Communication B form (CCB) in respect of postal reminders was issued to circa 50,800 households. The household

visit element of the 2022 canvass was able to proceed, with suitable precautions undertaken as a result of the pandemic, with circa 37,800 properties being canvassed. The canvass reforms also allowed for e-communications that included telephone and email contact. The canvass was concluded successfully, and the registers were published on 1 December 2022.

Rolling Registration activity, introduced in 2000 to assist in maintaining the Electoral Register, continued throughout 2022/23 with the bulk of registration applications received via the central government online registration system (www.gov.uk/register-to-vote).

More information on the Board's performance during 2022/2023 can be found on the Board's website at www.lanarkshire-vjb.gov.uk

Financial Performance

Revenue

The Comprehensive Income and Expenditure Statement on page 21 summarises the total costs of providing services and the income available to fund those services. The Board set a net operating expenditure budget for 2022/2023 of £3.665m to be funded by contributions from the two constituent local authorities. The budget was based on experience of expenditure and income levels during previous years and included a planned contribution from the Board's reserves of £0.193m. During the year, this budget was increased to reflect funding received from the Scottish Government for the implementation of the Barclay Review. This gave a final budget of £4.265m for the year.

In comparison to this revised 2022/2023 budget, the Board returned a surplus of income over expenditure of £0.242m which, compared with the budgeted deficit of £0.060m, meant there was £0.302m of an improvement in the Board's position. This surplus excludes the accounting adjustments relating to pensions and short-term accumulating absences. In the main, the improved financial position reflected reductions in spend due to turnover of staff and ongoing recruitment difficulties in the sector.

The Table overleaf compares the revised budget of the Board at the 31 March 2023. The difference between the net expenditure figure overleaf and that reported in the Comprehensive Income and Expenditure Statement is due to the accounting adjustments, which are analysed in the Expenditure and Funding Analysis on page 20.

Lanarkshire Valuation Joint Board Revenue Budget 2022/2023

	Budget	Actual	Variance
	£000	£000	£000
Employee Costs	3,137	2,917	220
Property Costs	202	201	1
Supplies and Services	159	152	7
Transport and Plant	0	3	(3)
Administration Costs	740	684	56
Payments to Other Bodies	31	30	1
Financing Charges	13	8	5
Total Expenditure	4,282	3,995	287
Income	(17)	(32)	15
Net Expenditure	4,265	3,963	302
Funded by:			
Contributions from Councils	(4,205)	(4,205)	0
Total	(4,205)	(4,205)	0
(Surplus) / Deficit for the Financial Year	60	(242)	302

As noted above, the main underspend was in respect of employee costs. This reflects a combination of the turnover of staff and difficulties in the recruitment of staff. In addition, Administration Costs incurred less than anticipated expenditure in relation to the cost of printing and stationery and postages.

Balance Sheet

The Board's Balance Sheet as at 31 March 2023 reported net assets of £2.071m compared with net assets of £2.818m as at 31 March 2022, a movement of £0.747m during the year. This is mainly due to a £0.984m decrease in the Board's General Fund Reserve.

Adding the surplus on the Balance Sheet as at 31 March 2023 (£0.242m) to the Board's General Reserve carried forward from 2021/2022 (£1.479m), gives the Board a closing General Reserve position of £1.721m at the end of 2022/2023. This is shown in the Expenditure and Funding Analysis on page 20 and the Movement in Reserves Statement on page 23.

Pension Fund

The disclosure requirements for pension benefits under International Accounting Standard 19 are detailed at Note 16. The appointed actuary assessed the Board's share of Strathclyde Pension Fund as a net asset of £0.289m as at 31 March 2023. This reflects the assumptions used by the actuary, including financial and demographic assumptions, resulting in a significant increase to the Pension Asset since the previous year.

The 2022/2023 pension reports provided by the actuary indicate an increased Asset (a surplus) for this year (compared to 2021/2022), and in line with IFRIC14, an asset ceiling has been applied. This reduced the Asset from £10.851m to £0.289m and reflects the present value of employer future service costs less the present value of future employer contributions, over the future working lifetime of your active scheme.

Whilst indicative of a broad position in terms of a pension asset, the reader should be aware of a range of factors, inherent in the figure, before drawing conclusions on the Asset shown in the Board's Financial Statements. The Board continues to meet pension contributions on an annual basis.

Note 16: Defined Benefit Pension Schemes on page 35 provides more details on pensions including the factors affecting the pension asset such as assumptions about mortality, salary inflation, pension inflation and discount rates.

The Board's actuary has confirmed that the IAS19 Balance Sheet is based on financial market values and future market expectation indicators as at 31 March 2023 to comply with the standard.

Provisions, contingencies and write-offs

The Board is not aware of any eventualities which may have a material effect on its financial position and has therefore made no provision for such eventualities. Contingent assets and liabilities are disclosed as a note to the financial statements. No debts were written off during the financial year.

Service Changes and Future Developments

The Board approved Lanarkshire Valuation Joint Board's Service Plan at its meeting of March 2022. An update on the service plan is provided annually to the Board. Future developments are anticipated in the following service areas:

Electoral Registration

Following the introduction of the Elections Act 2022, preparatory work will continue for the new legislative undertakings associated with the Act, including the introduction of Voter I.D. for certain elections. It is expected that a number of by-elections will take place within the period 2023/24 for which, as with all elections, an elections plan will be developed with an associated risk register for each.

Valuation

Preparatory work associated with implementing the new proposals and appeals system for both non-domestic and council tax business will continue into the period 2023/24. In respect of non-domestic appeals, the new system is significantly different from the previous procedures associated with appeals and the shortened timescale to deal with such appeals will add to challenges for the period 2023/24, for both Assessors across Scotland, and ratepayers and their agents. This new two-stage system is designed to deal initially with proposals and then any subsequent appeals. The

four-month window for lodging these proposals will commence immediately following the publication of the 2023 Revaluation roll on 1 April 2023. Work over the period 2023/24 will also continue with maintaining the valuation roll and disposing of running roll appeals where possible. However, there remain significant challenges in respect of dealing with the voluminous numbers of outstanding running roll appeals, the vast majority of which were lodged as a result of the pandemic.

In respect of Council Tax, work will continue with maintaining the Valuation List, entering new houses on the List as well as reviewing bands of houses which have been sold (where there have been alterations which may result in a band increase), as efficiently as possible.

With the non-domestic revaluation now complete, it is envisaged that alterations to the valuation roll should be once again undertaken in line with targets, and that entering new houses in the valuation list should continue to be in line with targets also.

Financial Outlook

Most economic commentators forecast that pressures on public finances will continue for the foreseeable future. The Board recognises the impact of this difficult financial climate on its constituent authorities and as a consequence it continues to seek to generate efficiencies where possible. The Board's Financial Budget Strategy was updated in June 2022 to refresh the Strategy and to extend the timeframe to 2025/2026. The Financial Strategy assists in managing a number of key risks which directly impact on the funding available to deliver the Board's objectives. It also identifies a future strategy in respect of financial reserves.

The Budget for 2023/2024 was approved in December 2022, and included an additional assumption for a future pay award for the Board's employees. The revised expenditure budget totals £4.280 million and is funded by contributions from councils (including the Barclay allocations) and the use of Reserves (£0.272 million).

Taking into account the use of £0.272 million in 2023/2024 will leave £1.449 million in Reserves for future years. This equates to 33% of the Board's annual budget for 2023/2024.

The Table below summarises the revised impact on Reserves across the 3 years of the Strategy leaving a balance of £0.534 million at the end of 2025/2026.

Reserves Forecast and Strategy

	2022/23 (year 0) £m	2023/24 (year 1) £m	2024/25 (year 2) £m	2025/26 (year 3) £m
Opening Balance	1.479	1.721	1.449	1.027
Transfer to Reserves	0.242	-	-	-
Proposed Utilisation of Reserves	-	(0.272)	(0.422)	(0.493)
Closing Balance	1.721	1.449	1.027	0.534

The balance on Reserves (£0.534 million) is after a reduction in council contributions of £0.050m in 2023/2024 and 2024/2025. This still represents a significant balance. The reason it is considered appropriate to work towards holding this level of reserve relates to a risk that funding for Barclay may not be recurring beyond this timeframe.

Consequently, the Assessor and Electoral Registration Officer will look to continue to implement efficiency savings in future, although with a significant number of statutory duties to be met the continued pressure on resources could have an adverse impact on performance and service delivery.

The Board's Financial Strategy will continue to be revised annually, with consideration given to any changes in the financial horizon and will be presented to the Board as appropriate.

Risks and Uncertainties

The Board noted the Risk Register Update 2023 at its meeting in March 2023. The main risks highlighted are the inability to deal with the increase in non-domestic appeals activity, the difficulties faced in recruiting and retaining qualified valuation staff, and the uncertainty surrounding the

funding going forward for the new duties brought about by the Barclay review into non-domestic rates.

In respect of the first highlighted risk, discussions continue with the Scottish Government and other stakeholders in respect of a possible extension to the statutory disposal date for such appeals. With regards to the second risk, dialogue continues with all officers to the Board, as well as with South Lanarkshire Council's Personnel Services, in relation to retaining and recruiting suitably qualified personnel to deal with the anticipated workload for coming years, in particular the workload associated with the recommendations from the Barclay Review into non-domestic rates.

Finally, in respect of the third risk, dialogue continues with the Scottish Government to ensure that all new statutory requirements emanating from the Barclay review are properly funded. All risks are monitored by the Board's management team with a view to mitigating each risk, whether an existing or emerging risk.

Coronavirus Pandemic

Whilst there has been essentially a return to business as usual, the risks associated with the pandemic remain. Revised working practices introduced as a result of the pandemic are now established and include home/office blended working arrangements, sourcing more information digitally with the continued use of electronic communications where deemed appropriate. All site visits, with the exception of certain establishments such as care homes, are being undertaken and as such should contribute to our organisation's ability to maintain as accurately and complete as possible the Valuation Roll, Council Tax List and Electoral Registers. The Board's staff are to be commended again on their approach to revised working practices to ensure that all statutory functions are carried out.

Conclusion

Given the significant challenges which all Assessors' offices faced as a result of the preparatory work for the 2023 non-domestic revaluation over the period 2022/23, performance on the whole was positive across all three main business areas, albeit non-domestic performance targets were not met.

Significant work was undertaken to reduce the number of council tax appeals outstanding, which had built up as a result of the pandemic; this was a major area of achievement with low numbers of appeals eventually being transferred to the Scottish Courts and Tribunals Service.

Sound financial management and medium-term planning has enabled the Board to successfully manage the financial challenges faced during financial year 2022/23. However, there remain a number of challenges going forward, not least the issues posed by the introduction of three yearly non-domestic revaluations with effect from 1 April 2023, an associated change to the non-domestic appeals system scheduled to be implemented with effect from 1 April 2023 with a significant number of appeals outstanding lodged as a result of the pandemic, and further challenges, such as the implementation of Voter I.D. as introduced by the Elections Act 2022.

We wish to acknowledge the significant efforts of all staff in contributing to the Board's operational performance, of budget managers and support staff whose financial stewardship contributed to the Board's financial position at 31 March 2023, and to everyone involved in the preparation of the Annual Accounts.

Paul Manning
Treasurer

Renzo Pacitti
Assessor and ER Officer
(from 5 June 2023)

Cllr Walter Brogan
Convener

This statement sets out the respective responsibilities of the Board and the Treasurer for the Annual Accounts.

The Board's Responsibilities

The Board is required 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. For the Board, that officer is the Executive Director of Finance and Corporate Resources for South Lanarkshire Council, designated as the Treasurer of the Board.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Board at its meeting on 4 December 2023.

Councillor Walter Brogan
Convener of Lanarkshire Valuation Joint Board

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

- Selected suitable accounting policies, and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with legislation.
- Complied with the Code of Practice on Local Authority Accounting in the United Kingdom.

The Treasurer has also:

- Kept adequate accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the annual accounts give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2023.

Paul Manning
Treasurer of Lanarkshire Valuation Joint Board

Annual Governance Statement

This statement sets out the framework within which the Board has proper arrangements for the governance of the Board's affairs, thereby facilitating the effective exercise of its functions, ensuring that appropriate arrangements are in place for the management of risk and appropriate systems of internal control are in place.

The Annual Governance Statement has been prepared within the context of the Board's governance framework and meets legislative requirements to include the Annual Governance Statement with the Annual Accounts. A consolidated Code of Corporate Governance was approved at the Board meeting of 4 March 2019.

Scope of Responsibility

In delivering its aims and objectives, the Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Board also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this responsibility, the Board's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Governance Framework

The Board operates a system of internal control designed to manage risk to a reasonable level. Internal controls 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 main features of the Board's Corporate Governance arrangements are:

- Consolidated Code of Corporate Governance
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations and Tender Procedures,
- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve our corporate objectives,
- Arrangements to manage risk, including a risk management strategy and Corporate Risk Register and business continuity plans,
- Clear customer complaints procedures,
- Policies to regulate employee related matters, including the Employee Code of Conduct and Disciplinary Procedures, and
- Regular public performance monitoring

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

Development and maintenance of the system is undertaken by managers within the Board. In particular, the system includes:

- Financial management supported by Financial Regulations,
- Detailed budgeting systems,
- Regular reviews of periodic and annual financial reports which indicate financial performance against forecasts,
- Setting targets to measure performance, including financial performance, and
- The preparation of regular financial reports that compare actual expenditure and income against forecasts.

- A range of policies such as the Counter Fraud, Bribery and Corruption Policy Statement and Strategy, Fraud Response Plan, Whistleblowing for Third Parties and Confidential Reporting procedures. These continue to be updated to reflect best practice and support a culture of ethical behaviour amongst employees and councillors.

The Risk and Audit Scrutiny Committee considered the adequacy and effectiveness of the Board's governance arrangements and internal control environment and approved the Annual Governance Statement and Accounts.

South Lanarkshire Council is the administering authority. All financial transactions of the Board are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of the Council. This includes regular reviews by the Council's Internal Audit Manager.

CIPFA Financial Management Code

The Chartered Institute of Finance and Public Accountancy (CIPFA) has introduced a Financial Management Code (the FM Code). The FM Code provides "guidance for good and sustainable financial management in local authorities. By complying with the principles and standards within the code, authorities will be able to demonstrate their financial sustainability". A key goal of the FM Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management.

The Board reviewed the principles of the FM Code and carried out a self-assessment as part of its internal governance regime during 2020-2021. This identified that the Board where appropriate had fully embedded all but 1 of the principles of the Code in its normal business. An action was identified for the remaining principle which was to include a statement re the adequacy of reserves in the next budget strategy paper. The refreshed Budget Strategy covering the period to end 2025/2026 was presented to the Board in June 2022. This included reference to the level of Reserves and a plan for their use moving forward.

Review of Effectiveness

The Board purchases an internal audit service from South Lanarkshire Council, through a Service Level Agreement. The role of Internal Audit is to provide an independent audit opinion on the adequacy and effectiveness of the Board's governance, risk management and internal control systems based on audit work undertaken in the year.

The internal audit service provided to the Board operates in accordance with the Public Sector Internal Audit Standards (revised 2017). A rolling programme of audits are undertaken on an annual basis targeted at the areas of greatest risk.

The Internal Audit Manager provides an annual report to the Board and an audit opinion on the adequacy and effectiveness of the Board's governance, risk management and internal control systems based on audit work undertaken in the year. The annual report for 2022/2023 was presented to the Board on 5 June 2023. The Internal Audit Manager's annual assurance statement concluded that a reasonable level of assurance can be placed on the adequacy and effectiveness of the Board's framework of governance, risk management and control arrangements for the year ended 31 March 2023.

Statement on the Role of the Chief Financial Officer

CIPFA published the statement on the role of the Chief Financial Officer in 2010 and under the Code, the Board is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact.

The Board's financial management arrangements comply with the principles set out in CIPFA's statement on the Role of the Chief Financial Officer.

Continuous Improvement

As part of the annual audit review, recommendations are provided which not only assist management to improve their control environment, but also provide an assessment of the adequacy of existing systems and procedures, including highlighting any necessary improvements to maintain and improve the Board's governance arrangements going forward. The external auditor's report, [Audit Scotland Annual Report 2021/2022](#) noted that the governance arrangements were effective in 2021/2022, and did not identify any Governance actions for implementation during 2022/2023.

Coronavirus

The Board's management team remain vigilant to the risks associated with the recent pandemic. Safe systems of work are continuously reviewed and updated where deemed appropriate. With the exception of a few property types, such as care homes, all site visits in connection with statutory duties relating to our three main business areas, namely council tax, non-domestic rates and electoral registration, are being undertaken. Business processes remain under constant review to help mitigate against a resurgence of coronavirus, with working practices having been re-engineered to facilitate a more digitised approach to tasks where possible. This is assisted by the Scottish Assessors Association Portal which facilitates a number of user interactive services, as well as hosting a vast range of useful information for all service users. Blended working arrangements, involving staff working some time within the office and some time from home, are now well established.

The Board's staff are once again to be commended on their ability to adapt to changing processes to ensure that all statutory functions are carried out.

Assurance

In conclusion, there were no significant weaknesses identified in the Annual Audit Report relating to improvements requiring action in 2022/2023. Systems are in place to continually review and improve the control environment and governance arrangements operated by the Board.

The effectiveness of governance is dependent on the actions of officers of the Board and by the work of Internal and External audit. It is the Board's view that the governance arrangements were effective during financial year 2022/2023.

Significant Governance Areas

The Board's management team identifies risks which LVJB is exposed to and documents the controls in place to help mitigate each risk. At the review in January 2023, 3 risks were deemed high and are summarised in the table below.

Risk	Classification	Key Risk	Description of Risk	Controls in Place
1	Operational, Continuity and Performance	Inability to deal with increase in non-domestic appeals activity	Upsurge in non-domestic appeal activity, in particular the voluminous appeals received in connection with the coronavirus pandemic. Also, dealing with voluminous levels of proposals against the 2023 non-domestic revaluation in a three yearly revaluation cycle. This leads to greater time spent by LVJB staff on handling appeals	1) Structured non-domestic appeal disposal programme. 2) Regular case review meetings. 3) Follow agreed disposal strategy of non-domestic appeals with SAA where appropriate. 4) Monitored by Valuation Managers and Utilities Group Meetings. 5) Liaising with Lanarkshire Valuation Appeal Panel and the Scottish Courts and Tribunals Service in respect of facilitating hearings to deal with the increased workload. 6) Liaising with the Scottish Government and the new

Risk	Classification	Key Risk	Description of Risk	Controls in Place
				Tribunal set-up via the Scottish Assessors Association, on appeal volumes and statutory disposal deadlines.
2	People	Failure to recruit and/or retain qualified valuation staff.	Failure to retain or recruit staff including those with appropriate qualifications.	1) Work life balance/conditions of service/personnel policies/job families. 2) PDR process. 3) Recruitment of trainee valuers, employed when appropriate, with structured training scheme in place. 4) Offer to existing staff of training/professional qualifications where deemed appropriate.
3	Financial	Lack of funding for new duties associated with the Barclay review into non-domestic rates.	Insufficient funding for new duties could lead to difficulties in delivery of statutory undertakings. There is no detail on future years' funding from the Scottish Government for such duties.	1) Risk to the new statutory duties has been raised with Scottish Government officials, and directly with the Minister for Public Finance, Planning and Community Wealth 2) Three yearly budget planning assists with the identification of when funding levels become critical to service delivery.

Renzo Pacitti
Assessor and ER Officer
(from 5 June 2023)

Councillor Walter Brogan
Convener

The remuneration report provides details of the Board's remuneration policy for senior Board members and senior employees.

Introduction

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 1985 (as amended by the Local Authority Accounts (Scotland) Regulations 2014). These Regulations require various disclosures about the remuneration and pension benefits of senior Board members and senior employees.

All information disclosed in tables 1 – 3 and 5 and 6 in this Remuneration Report and details of exit packages have been audited by Audit Scotland. The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

Senior Employees

The remuneration of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Officers of Scottish local authorities. Circular CO/152 sets the amount of salary for Chief Officers for 2022/2023.

Senior Councillors

The Convener and Depute Convener of the Lanarkshire Valuation Joint Board are remunerated by the Council of which they are a council member, as shown in Table 3.

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended most recently by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2022 (SSI 2022/18). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. These regulations also set out the amounts a councillor may be paid for being a Convener or Depute Convener of a Joint Board. This is inclusive of any amount payable to them as either a Councillor or Senior Councillor.

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

Trade Unions (Facility Time Publication Requirements) Regulations 2017

In addition to the regulations governing senior employees and councillors, the Trade Union (Facility Time Publication Requirements) Regulations 2017, which applied from 1 April 2017, require public sector employers to collect and publish a range of information on trade union facility time in respect of their employees who are Trade Union Representatives. The [Trades Unions \(Facility Time Publication Requirements\)](#) is available on the Board's website.

There are no employees within the Board who are Trade Union Representatives, as noted on the Board's website.

General Pay Bands for Senior Employees

The number of officers who received remuneration (excluding pension contributions) in excess of £50,000 for the financial year is shown in Table 1:

Table 1 - General Pay Band Disclosure for Senior Employees

Annual Remuneration	Number of Employees	Number of Employees
£	2022/23	2021/22
50,000 – 54,999	2	6
55,000 – 59,999	2	0
60,000 – 64,999	1	2
65,000 – 69,999	2	0
70,000 – 74,999	0	2
75,000 – 79,999	1	0
80,000 – 84,999	1	0
85,000 – 114,999 (Note 1)	0	0
115,000 – 119,999	0	1
120,000 – 124,999	0	0
125,000 – 129,999	1	0

Note 1: These are merged pay bands covering more than £5,000 due to the fact that no employees fell into these bands in either financial year.

Disclosure of Remuneration

Tables 2 and 3 provide details of the remuneration paid to the Board's senior employees, Convener and Depute Convener. Comparative figures for 2021/2022 have been shown.

Table 2 – Senior Employees

Name / Post	Salary / Fees	Taxable Expenses	Compensation for Loss of Office	Any other Remuneration	2022/23 Total	2021/22 Total
G Bennett Assessor and Electoral Registration Officer	£125,772	-	-	-	£125,772	£119,906
J Neason Assistant Assessor and Electoral Registration Officer (To 5 April 2022)	£884 (Full Time Equivalent £76,847)	-	-	-	£884 (Full Time Equivalent £76,847)	£73,263
C Maxwell Assistant Assessor and Electoral Registration Officer (From 6 April 2022)	£73,811 (Full Time Equivalent £74,584)				£73,811 (Full Time Equivalent £74,584)	n/a
R Pacitti Assistant Assessor and Electoral Registration Officer	£76,847	-	-	-	£76,847	£73,263
Total	£277,314	-	-	-	£277,314	£266,432

The senior employees included in Table 2 include any 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 of the Board (including activities involving the expenditure of money), during the year to which the report relates, whether solely or collectively with other persons;

- Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; or
- Whose annual remuneration, including remuneration from a local authority subsidiary body, is £150,000 or more.

Table 3 – Conveners and Depute-Conveners

Name / Post	Salary / Fees	Taxable Expenses	Compensation for Loss of Office	Any other Remuneration	2022/23 Total	2021/22* Total
A McVey Convener (To 5 May 2022)	£469	-	-	-	£469	£4,458
W Brogan Convener (From 27 June 2022)	£3,729	-	-	-	£3,729	n/a
L Hamilton Depute Convener (To 5 May 2022)	£352	-	-	-	£352	£3,476
J Reddin Depute Convener (From 27 June 2022)	£2,798	-	-	-	£2,798	n/a
Total	£7,348				£7,348	£7,934

* 2021/2022 figures restated to reflect Basic Pay only.

Pension Rights

Pension benefits for councillors and Lanarkshire Valuation Joint Board employees are provided through the Local Government Pension Scheme (LGPS).

The Board's employees had a final salary pension scheme prior to 1 April 2015. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. As of 1 April 2015, the Board's employees are now part of a defined benefit pension scheme worked out on a career average basis. Benefits built up are calculated using pensionable pay each scheme year, rather than final salary. All benefits built up prior to this date are protected.

From 1 April 2009, a five-tier contribution system was introduced with contributions from scheme members based on how much pay falls into each tier. This is designed to give more equality between the costs and benefits of scheme membership. Under The Local Government Pension Scheme (Scotland) Regulations 2014, the earnings ranges used to determine annual contribution rates are to be increased each year by any increase applied to pensions under the Pensions (Increase) Act 1971. In accordance with this the salary bands for 2019/2020 were uprated by the Consumer Price Index (CPI) increase for 2020/2021.

The member contribution rates and tiers for 2022/2023 are shown in Table 4 along with those that applied in 2021/2022.

Table 4 – Pension Contribution Rates

Pensionable Pay	Contribution rate 2022/23	Pensionable Pay	Contribution Rate 2021/22
On earnings up to an including £23,000	5.50%	On earnings up to an including £22,300	5.50%
On earnings above £23,000 and up to £28,100	7.25%	On earnings above £22,300 and up to £27,300	7.25%
On earnings above £28,100 and up to £38,600	8.50%	On earnings above £27,300 and up to £37,400	8.50%
On earnings above £38,600 and up to £51,400	9.50%	On earnings above £37,400 and up to £49,900	9.50%
On earnings above £51,400	12.0%	On earnings above £49,900	12.0%

From April 2015, if a person works part-time their contribution is based on their part-time pay. Prior to this, if a person worked part-time, their contribution rate was worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

From 1 April 2015, benefits are calculated on the basis of a revalued annual pension built up of 1/49th of pensionable pay each year, plus inflation to keep up with the cost of living. Prior to this date, the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service and prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

The value of the benefits has been calculated without exercising any option to commute pension entitlement into a lump sum and without any adjustment for the effects of future inflation.

In those cases where members have transferred pension entitlements from previous employments, the pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment. It also reflects both employer and employee contributions.

The Pension entitlement of Senior Employees for the year to 31 March 2022 are shown in the Table 5, together with the contribution made by the Board to each senior employees' pension during the year. The accrued pension benefit reflects both the employer and employee contributions.

Table 5 – Pension Benefits: Senior Employees

Name / Post		Accrued Pension Benefits March 2023	Movement in accrued pension benefits since 31 March 2022	Pension Contribution made by Board 2022/23	Pension Contribution made by Board 2021/22
G Bennett Assessor and Electoral Registration Officer	Pension Lump Sum	£73,301 £114,849	£7,932 £5,483	£24,274	£23,142
J Neason Assistant Assessor and Electoral Registration Officer (To 5 April 2022)	Pension Lump Sum	£42,083 £73,544	£-300 £0	£171	£14,140
C Maxwell Assistant Assessor and Electoral Registration Officer (From 6 April 2022)	Pension Lump Sum	£34,144 £51,721	n/a	£14,395	n/a
R Pacitti Assistant Assessor and Electoral Registration Officer	Pension Lump Sum	£42,547 £69,825	£4,577 £3,333	£14,831	£14,140
Total				£53,671	£51,422

Table 6 – Pension Benefits: Conveners and Depute Conveners

Name / Post	Pension Contribution made by Board 2022/23	Pension Contribution made by Board 2021/22*
A McVey, Convener (To 5 May 2022)	£91	£860
W Brogan, Convener (From 27 June 2022)	£720	n/a
L Hamilton, Depute Convener (To 5 May 2022)	£68	£671
J Reddin, Depute Convener (From 27 June 2022)	£540	n/a

* 2021/2022 figures restated to reflect Pension Contribution made by the Board only.

Exit Packages

There were no exit packages agreed or paid for in 2022/2023 or 2021/2022.

Renzo Pacitti
Assessor and ER Officer
(from 5 June 2023)

Councillor Walter Brogan
Convener

The Expenditure and Funding Analysis shows the expenditure and income figures reported to Lanarkshire Valuation Joint Board and, through a single adjustments column, reconciles it to the accounting figures presented in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding Analysis 2022/2023

	2021/2022				2022/2023	
Net Exp. Chargeable to GF	Adjustment between Funding and Accounting Basis (note 5)	Net Exp. in CIES		Net Exp. Chargeable to GF	Adjustment between Funding and Accounting Basis (note 5)	Net Exp. in CIES
Column 1	Column 2	Column 3		Column 5	Column 6	Column 7
£000	£000	£000		£000	£000	£000
2,850	670	3,520	Employee Costs	2,917	539	3,456
201		201	Property Costs	201		201
147		147	Supplies and Services	152		152
0		0	Transport and Plant	3		3
773	(27)	746	Administration Costs	684	(24)	660
28		28	Payments to Other Bodies	30		30
35	21	56	Financing Charges	8	21	29
4,034	664	4,698	Total Expenditure	3,995	536	4,531
(4,386)	-	(4,386)	Income	(4,237)		(4,237)
(352)	664	312	Net Cost of Services	(242)	536	294
0	51	51	Financing and Investment Income and Expenditure	0	(28)	(28)
(352)	715	363	(Surplus) or Deficit	(242)	508	266

2021/22		2022/23
General Fund		General Fund
£000		£000
(1,127)	Opening General Fund Balance	(1,479)
(352)	(Less)/plus (Surplus) or Deficit on General Fund (per column 1 and 5 of EFA)	(242)
-	Transfers To/From Reserves	-
(1,479)	Closing General Fund Balance	(1,721)

Comprehensive Income and Expenditure Statement for the year ended 31 March 2023

This statement shows income generated by the Board during the year and how it was spent on services and financing costs.

2021/22		2022/23	Note
Actual		Actual	
£000		£000	
3,520	Employee Costs	3,456	
201	Property Costs	201	
147	Supplies and Services	152	
0	Transport and Plant	3	
746	Administration Costs	660	
28	Payments to Other Bodies	30	
56	Financing Charges	29	
4,698	Total Expenditure	4,531	
(4,386)	Income	(4,237)	
312	Net Cost of Services	294	
51	Financing and Investment Income and Expenditure	(28)	
363	Deficit on the Provision of Services	266	
(4,198)	Re-measurement of the Net Defined Benefit Asset/Liability	977	16
(4,198)	Other Comprehensive Income and Expenditure	977	
(3,835)	Total Comprehensive Income and Expenditure	1,243	

This statement shows the resources of the Board and means by which they were financed. It shows the values as at the Balance Sheet date of the assets and liabilities recognised by the Board.

31 March 2022		31 March 2023	Note
£000		£000	
	Non-Current Assets:		
156	Property, Plant and Equipment	135	11
0	Intangible Assets	0	12
1,273	Pension Asset	289	16
1,429	Total Non-Current Assets	424	
	Current Assets:		
72	Short Term Debtors	100	13
1,542	Cash and Cash Equivalents	1,814	
1,614	Total Current Assets	1,914	
	Current Liabilities:		
(225)	Short Term Creditors	(267)	14
(225)	Total Current Liabilities	(267)	
2,818	Total Assets less Current Liabilities	2,071	
	Long Term Liabilities		
0	Pension Liability	(496)	16
2,818	Total Assets less Liabilities	1,575	
	Financed By:		
	Unusable Reserves		
1,273	Pension Reserve	(207)	19
(90)	Accumulating Compensated Absences Reserve	(74)	19
156	Capital Adjustment Account	135	19
	Usable Reserves		
1,479	General Fund Reserve	1,721	19
2,818		1,575	

The notes on pages 27 to 41 form part of the financial statements.

The unaudited accounts were approved for issue by the Board on 5 June 2023, and the audited accounts were authorised for issue on 4 December 2023. The audited accounts are signed on behalf of the Board by:

Paul Manning
Treasurer of Lanarkshire Valuation Joint Board

Movement in Reserves Statement for the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by the Board, analysed into usable reserves and unusable reserves. The deficit on the provision of services shows the true economic cost of providing the Board's services, which is fully analysed in the Comprehensive Income and Expenditure Statement on page 21. This cost excludes other statutory charges to the General Fund balance. The net increase / (decrease) before transfers to / from other statutory reserves shows the statutory General Fund balance before any discretionary transfers to or from the other statutory reserves of the Board.

	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance at 31 March 2022	1,479	1,479	1,339	2,818
Movement in Reserves during 2022/2023				
Surplus on the provision of services	(266)	(266)	-	(266)
Other comprehensive income and expenditure	-	-	(977)	(977)
Total comprehensive income and expenditure	(266)	(266)	(977)	(1,243)
Adjustments between accounting basis and funding basis (note 5)	508	508	(508)	0
Net increase before transfers to / from other statutory reserves	242	242	(1,485)	(1,243)
Transfers to / from other statutory reserves	-	-	-	-
Increase / (Decrease) in 2022/2023	242	242	(1,485)	(1,243)
Balance as at 31 March 2023	1,721	1,721	(146)	1,575

Movement in Reserves Statement for the year ended 31 March 2022

	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance at 31 March 2021	1,127	1,127	(2,144)	(1,017)
Movement in Reserves during 2021/2022				
Surplus on the provision of services	(363)	(363)	-	(363)
Other comprehensive income and expenditure	-	-	4,198	4,198
Total comprehensive income and expenditure	(363)	(363)	4,198	3,835
Adjustments between accounting basis and funding basis (note 5)	715	715	(715)	0
Net increase before transfers to / from other statutory reserves	352	352	3,483	3,835
Transfers to / from other statutory reserves	-	-	-	-
Increase / (Decrease) in 2021/2022	352	352	3,483	3,835
Balance as at 31 March 2022	1,479	1,479	1,339	2,818

Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Board during the year. The statement shows how the Board generates and uses cash and cash equivalents by classifying them as either operating, investing or financing activities.

- The level of net cash arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of taxation and grant income or from service users and constituent authorities.
- 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.
- There were no financing activities as the board had no requirement to borrow.

Further analysis of movements is provided in the cash flow notes following the statement.

2021/22		2022/23
£000		£000
(363)	Net deficit / (surplus) on the provision of services	(266)
477	Adjust net deficit / (surplus) on the provision of service for non-cash movements	508
1	Adjust for items included in the net deficit / (surplus) on the provision of services that are investing and financing activities	30
115	Net cash flows from operating activities	272
0	Investing Activities	0
115	Net increase or decrease in cash and cash equivalents	272
1,427	Cash and cash equivalents at 1 April	1,542
1,542	Cash and cash equivalents at 31 March	1,814

Cash Flow Statement Note – Non Cash Movements

The balance of non-cash movements is made up of the following elements:

2021/22		2022/23
£000		£000
21	Depreciation, impairment and amortisation of assets	21
(14)	Movement in Debtors	(28)
(223)	Movement in Creditors	63
725	Movement in Pension Liability	503
(31)	Movement in the Employee Statutory Adjustment Account	(16)
-	Movement in the Flexible Working Scheme Adjustment Account	(5)
(1)	Interest received	(30)
477	Net Cash flows from the provision of services for non-cash movements	508

Cash Flow Statement Note – Operating Activities

The cash flows for operating activities include the following items:

2021/22		2022/23
£000		£000
1	Interest received	30
0	Interest paid	0
1	Net cash flows from operating activities	30

Cash Flow Statement Note – Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

2021/22		2022/23
£000		£000
1,542	Short term deposits	1,814
1,542	Total Cash and Cash Equivalents	1,814

Note 1: Accounting Policies

General Principles

Lanarkshire Valuation Joint Board is required to prepare annual accounts by the Local Authority Accounts (Scotland) Regulations 2014, section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. The general policies adopted in compiling and presenting the Accounts are those recommended by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC), supported by International Financial Reporting Standards (IFRS). There are no significant departures from those recommendations.

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

Debtors and Creditors

Accruals basis

The Comprehensive Income and Expenditure Statement is compiled on an accruals basis. Income and expenditure activities are accounted for in the year in which they take place, not simply when payments are made or received. Where goods and services have been sold but the income not received by 31 March 2023 or goods have been received but not paid for by 31 March 2023 then the Comprehensive Income and Expenditure Statement has been amended to reflect the outstanding amounts and a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

(i) Debtors

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

(ii) Creditors

Sundry Creditors are accrued on the basis of payments made during the first three weeks following 31 March 2023; together with specific accruals in respect of further material items.

(iii) Accumulating Compensated Absences

International Accounting Standard 19 (IAS19) states that 'an organisation should account for employment benefits when employees earn them and the authority is committed to providing them, even if the actual provision might be in future years.' All salaries and wages earned up to 31 March 2023 are included irrespective of when actual payments were made. The requirements of IAS 19 have been fully applied in the current year, in respect of annual leave provision, including recognition of the net liability and an accumulating compensated absences reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Statement for movements in the liability relating to the scheme.

(iv) Pension Costs

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

The cost of providing pensions for employees is charged to the Comprehensive Income and Expenditure Statement in accordance with the statutory requirements governing the particular pension schemes to which the Board contributes.

While the requirements of IAS19 have been fully applied in the current year, the Pension report provide by the actuary has indicated a significant net Asset (a surplus). The significant nature of the Asset has been reviewed, and in line with IFRIC14, the asset has been de-recognised to equate to the level of the asset ceiling, provided by the Fund's actuary. This reflects the net present value of future service costs less the net present value of future obligations over the future working lifetime as at 31 March 2023. This derecognition has been applied through the Comprehensive Income and Expenditure Statement. Previous year budget and expenditure information has been provided to allow comparability.

In assessing liabilities for retirement benefits for the 2022/2023 Annual Accounts (included in the net asset), a discount rate based on the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme was used. The Actuary has advised that a rate of 4.75% per annum is appropriate (2021/2022 – 2.7%).

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

(v) Allocation of Central Support Expenses

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

(vi) Borrowing Facilities

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

(vii) Financial Instruments

Where an instrument has a maturity of less than 12 months the fair value is taken to be the principal outstanding.

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

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 (for example, software licences) is capitalised when it is expected that it will bring benefits to the Board for more than 12 months.

Intangible Assets are measured at cost. The depreciable amount of an intangible asset is amortised over its useful life in the Comprehensive Income and Expenditure Statement. The useful life of these assets is deemed to be 1-5 years. The Board has no Intangible Assets.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

The Board as Lessee – Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense for the use of the leased property, plant or equipment.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the supply of services or 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. Expenditure that merely maintains the condition of an asset e.g. 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.

Assets are then carried in the Balance Sheet using the following measurement bases:

- other land and buildings – fair value, determined by the amount that would be paid for the asset in its existing use (existing use value – EUV).
- vehicles, plant and equipment – where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets and is calculated on the following bases:

- other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (other buildings 10 – 40 years).
- vehicles, plant and equipment – straight line allocation over the useful life of the asset (5 – 20 years).
- over the term of the remaining lease of David Dale House.

Note 2: Prior Period Adjustments

There are no prior period adjustments included within the 2022/2023 Annual Accounts.

Note 3: Accounting Standards Issued but Not Adopted

The Accounting Code of Practice requires the Board to disclose information relating to the impact of an accounting change that is required by a new standard that has been issued but not yet adopted.

For this disclosure, the standards introduced by the 2023/2024 Code, which are required to be applied by 1 April 2023, and will be adopted by the Board on 1 April 2023:

- Definition of Accounting Estimates (amendments to IAS 8). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- Disclosure of Accounting Policies (amendment to IAS 1) This requires organisations to disclose their material accounting policy information rather than their significant accounting policies.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The main change is an exemption from the initial recognition exemption.

The amendments are effective for annual periods beginning on or after 1 January 2023 and there is therefore no impact on the 2022/23 financial statements.

- The implementation of IFRS 16 for Lease Accounting which should have been adopted with effect from 1 April 2022 has now been deferred until 1 April 2024 with local government bodies having the option to adopt earlier if they decide to do so. This standard replaces IAS 17 and removes the operating classification for leases, eliminating the ability for organisations to keep operating leases off balance sheet, by reporting them as a note to the accounts. With the new standard all leases will be considered finance leases unless they meet the specific exception criteria. The Board has opted to defer implementation until 1 April 2024

Adoption of the standards by the Board on 1 April 2023 is not expected to have any impact on the financial statements.

Note 4: Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the Board is obliged to highlight whether it has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Annual Accounts are:

- In assessing the potential for significant costs arising from Valuation Appeal Panels, the Board has considered its level of exposure as low and therefore no provision for an outflow of money has been made.
- The Accounts have been prepared on a going concern basis as it is expected that despite the uncertainty around future local government funding, a medium-term Financial Strategy has been developed in conjunction with the Boards constituent authorities. This gives certainty regarding the medium-term financial outlook and the level of service provision.
- If a Pension Scheme was in deficit (a liability), this would be recognised in the Accounts. Conversely, if the Pension scheme was in a surplus (an Asset), in line with IFRIC14, this would not be recognised. The surplus/deficit is arrived at by obtaining a valuation from the actuary. In the event of a surplus, consideration is given to whether it can be recognised based on whether the surplus can be recovered, or the contributions can be reduced. It is believed that under the agreement with Strathclyde Pension Fund, such a surplus cannot be recovered.

Note 5: Notes to the Expenditure and Funding Analysis - Adjustments Between Funding and Accounting Basis

	2022/23	2022/23	2022/23	2022/23
	Adjustments for Capital Purposes (note a) £000	Net Change for the Pensions Adjustments (note b) £000	Other Differences (note c) £000	Total Adjustments between Funding and Accounting Basis £000
Employee Costs	-	555	(16)	539
Property Costs	-	-	-	-
Supplies and Services	-	-	-	-
Transport and Plant	-	-	-	-
Administration Costs	-	(24)	-	(24)
Payments to Other Bodies	-	-	-	-
Financing Charges	21	-	-	21
Total Expenditure	21	531	(16)	536
Income	-	-	-	-
Net Cost of Services	21	531	(16)	536
Financing and Investment Income and Expenditure	-	(28)	-	(28)
Surplus or Deficit	21	503	(16)	508

	2021/22	2021/22	2021/22	2021/22
	Adjustments for Capital Purposes (note a) £000	Net Change for the Pensions Adjustments (note b) £000	Other Differences (note c) £000	Total Adjustments between Funding and Accounting Basis £000
Employee Costs	-	701	(31)	670
Property Costs	-	-	-	-
Supplies and Services	-	-	-	-
Transport and Plant	-	-	-	-
Administration Costs	-	(27)	-	(27)
Payments to Other Bodies	-	-	-	-
Financing Charges	21	-	-	21
Total Expenditure	21	674	(31)	664
Income	-	-	-	-
Net Cost of Services	21	674	(31)	664
Financing and Investment Income and Expenditure	-	51	-	51
Surplus or Deficit	21	725	(31)	715

Note a – Adjustment for Capital Purposes

This column adds in depreciation and impairment and revaluation of gains and losses in the financing charges line.

Note b – Net Change for the Pensions Adjustment

Net change for the removal of pension contributions and the addition of IAS19 Employee benefits pension related expenditure and income:

- For Employee Costs and Administration Costs this represents the removal of the employer contributions made by the Board as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Note c – Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable /receivable to be recognised under statute:

- For Employee Costs this represents the accrual made for the cost of holiday/leave entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. These require to be included within the Net Cost of Services under generally accepted accounting practices, however, are not chargeable to the General Fund.

Note 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 Statement recognised by the Board in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Board to meet future revenue expenditure.

Useable Reserves		
	£000	£000
	2022/23	2021/22
Adjustments to Revenue Resources		
Pension Costs (transferred to (or from) the Pensions Reserve	1,480	(3,473)
Holiday Pay (transferred to the Employee Statutory Adjustment Account)	(16)	(31)
Reversal of entries in the surplus or deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	21	21
Total Adjustments to Revenue Resources	1,485	(3,483)
Adjustments between Revenue and Capital Resources		
Capital expenditure finance from revenue balances (transfer to Capital Adjustment Account)	0	0
Total Adjustments between Revenue and Capital Resources		0
Total Adjustments	1,485	(3,483)
Total Comprehensive Income and Expenditure	(1,243)	3,835
Net Increase / (Decrease) before transfers to / from Reserves	242	352
Increase / (Decrease) in year	242	352

Note 7: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Board's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Items	Uncertainties	Effect if Actual Results Differ from Assumptions
Pension Asset	Estimation of the net asset 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, commissioned by Strathclyde Pension Fund, is engaged to provide the Board with expert advice about the assumptions to be applied.	<p>The effect on the net pension asset of changes in individual assumptions can be measured. E.g. a 0.1% decrease in the discount rate assumption would result in a decrease in the pension asset of £0.416m. The assumptions interact in complex ways. During 2022/2023, the actuaries advised that the net pension asset had increased by: £12.593m attributed to the updating of financial assumptions; increased by £0.221m attributable to changes in demographic assumptions; and decreased by £1.330m due to other experience. The net asset had decreased by £1.403m due to the expected return on pension fund assets.</p> <p>In line with IFRIC14, while there is a net asset, an asset ceiling has been applied to the Balance Sheet.</p>

Note 8: Events after the Balance Sheet

The audited Annual Accounts were authorised for issue by the Treasurer of Lanarkshire Valuation Joint Board on 4 December 2023. There were no events that occurred between 1 April 2023 and the date that the Annual Accounts were authorised for issue that would have an impact on the financial statements.

Note 9: Contingent Liabilities

Pensions

A circular from the Scottish Public Pensions Agency (Local Government Pension Scheme 2020/04) refers to a ruling that same-sex survivors were originally entitled to survivor benefits, taking into account the member's service from 6 April 1978. Following the Goodwin Tribunal, regulatory amendments will now need to be made with effect from the same date to extend that entitlement to male survivors of female members. While this could have a financial impact on future years' costs, and the impact cannot yet be quantified, current information from the Board's actuaries suggests that any impact is likely to be minimal. Given the uncertainty, and the expected immaterial nature of any potential impact, no provision has been made in the Accounts.

The Board's actuaries also highlighted an awareness of 2 other court cases which may impact on pension benefits in the future. The first was the Walker case where it was ruled that surviving spouses in same sex marriages should be entitled to the same benefits as those in different sex marriages and also the O'Brien case where it was ruled that recognition of part time benefits should apply to service for the period prior to 7 April 2000. The actuaries understanding is that these are unlikely to be significant judgements in terms of impact on future pension obligations of Employers. Again, given the uncertainty, and the immaterial nature of any potential impact, no provision has been made in the Accounts.

Valuation Appeals

Number of Appeals: Voluminous numbers of appeals have been received in connection with the pandemic with the possibility of additional expenditure in legal costs as a consequence of these appeals. Neither the value nor the timing of these costs can be reliably estimated at this time as legislation drafted by the Scottish Government to assist in dealing with such appeals has yet to be implemented. The Board recognises that a contingent liability may exist in respect of potential costs arising from these appeals.

Transfer of the Valuation Appeals Process: The transfer of Valuation Appeal Panel (VAP) activities to the Scottish Courts and Tribunal Service took place on 1 April 2023. This will have no financial impact on the Board as the VAP costs have been removed from the councils' settlements and therefore from the income that the Board receives from the councils.

Note 10: Leases

Operating Leases – Lanarkshire Valuation Joint Board as Lessee: The Board has entered into an operating lease and details are provided across the asset category of Property, Plant and Equipment, and Land and Buildings.

Land and Buildings – the Board leases their offices which have been accounted for as an operating lease. The rent payable in 2022/2023 was £0.093m (2021/2022 £0.093m) The rent payable will increase in August 2025.

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

	2022/23	2021/22
	£000	£000
Not later than one year	93	93
Later than one year and not later than five years	397	387
Later than five years	240	343
Total	730	823

Note 11: Property, Plant and Equipment

	2022/23	2021/22
	£000	£000
Cost or Valuation		
At 1 April	181	181
Additions	0	0
At 31 March	181	181
Accumulated Depreciation		
At 1 April	25	4
Depreciation	21	21
At 31 March	46	25
Net Book Value at 31 March	135	156

Note 12: Intangible Assets

	2022/23	2021/22
	£000	£000
Cost or Valuation		
At 1 April	0	2
Additions	0	0
Derecognition - Disposals	0	(2)
At 31 March	0	0
Accumulated Amortisation		
At 1 April	0	2
Amortisation of Intangible Assets	0	0
Derecognition - Disposals	0	(2)
At 31 March	0	0
Net Book Value at 31 March	0	0

Note 13: Short Term Debtors

The debtors figure comprises prepayments and is analysed as follows:

	2022/23	2021/22
	£000	£000
Information Technology Annual Support and Maintenance	100	71
Membership Fees	0	1
Total	100	72

Note 14: Short Term Creditors

The creditors figure is analysed as follows:

	2022/23	2021/22
	£000	£000
Valuation Appeal Panel – Fees	54	21
Royal Mail – Postal Charges	1	0
North Lanarkshire Council – Convenor / Depute Convenor Salary	4	6
South Lanarkshire Council – Convenor / Depute Convenor Salary	1	-
Accumulated Compensated Absences – Annual Leave	74	95
Other – Employee Cost Accrual	121	102
Registers of Scotland	-	1
Civic Penalties to be refunded	3	-
Adare – Administration Costs	9	0
Total	267	225

Note 15: Related Party Transactions

The Board is required to disclose material transactions with related parties. During the year transactions arose with the following related parties:

	2022/23	2022/23	2021/22	2021/22
	Receipts	Payments	Receipts	Payments
	£000	£000	£000	£000
South Lanarkshire Council	2,102.5	376	2,265	371
North Lanarkshire Council	2,102.5	4	2,106	6
Fife Council	-	-	-	1
Total	4,205	380	4,371	378

The Board occupied the premises at David Dale House, 45 John Street, Blantyre, G72 0JG during 2022/23, and are recharged for the cost of accommodation by South Lanarkshire Council. Included within payments to South Lanarkshire Council is a charge of £0.201m for the lease of office accommodation at David Dale House (2021/22: £0.201m).

Note 16: Defined Benefit Pension Schemes

As part of the terms and conditions of employment, the Board offers retirement benefits. The Board participates in the Local Government Pension Scheme (Strathclyde Pension Fund), a funded defined benefit scheme, administered by Glasgow City Council. The scheme is supported by contributions from both employer and employees.

The 2022/2023 pension reports provided by the actuary indicate an increased Asset (a surplus) for this year (compared to 2021/2022), and in line with IFRIC14, an asset ceiling has been applied. This reduces the Asset from £10.851m to £0.289m and reflects the present value of employer future service costs less the present value of future employer contributions, over the future working lifetime of your active scheme.

Transactions relating to Retirement Benefits

The cost of retirement benefit is recognised in the reported cost of services when it is earned by the Board's employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made against the Board's funding from councils is based on the pension contributions payable by the Board in the year, and an adjustment is made in the Movement in Reserves Statement to this effect.

The following transactions have been made in the Comprehensive Income and Expenditure Statement.

Comprehensive Income and Expenditure Statement	2022/23	2021/22
	£000	£000
Cost of Services:		
Service cost comprising:		
Current service cost	956	1,109
Past Service Cost (including curtailments)	0	0
Financing and Investment Income and Expenditure		
Net interest expense	(28)	51
Total post-employment benefit charged to the Deficit on the Provision of Services	928	1,160
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:		
Re-measurement of the net defined benefit liability/(asset) comprising:		
• return on pension fund assets	(1,403)	1,732
• actuarial gains or losses arising on changes in demographic assumptions	221	197
• actuarial gains or losses arising on changes in financial assumptions	12,593	2,311
• actuarial gains or losses arising on changes in other experience	(1,330)	(42)
• other	(10,562)	-
Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement	(481)	4,198
Net Charge to the Surplus/Deficit on the Provision of Services brought forward	928	1,160
Movement In Reserves Statement		
• reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the Code	(503)	(725)
Actual amount charged against the General Fund balance for pensions in the year:		
• employers' contributions payable to the scheme	425	435

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

	2022/23	2021/22
	£000	£000
Present value of the defined obligation	(21,526)	(31,554)
Fair value of pension fund assets	32,377	32,827
De-Recognition of Pension Assets (Surplus) to Asset Ceiling	(10,562)	-
Present Value of the Unfunded Liability Accounted for Separately	(496)	-
Net asset / (liability) arising from defined benefit obligations	(207)	1,273

A reconciliation of the Board's share of the present value of the Fund's defined obligation is as follows:

	2022/23	2021/22
	£000	£000
Opening Balance at 1 April	(31,554)	(32,593)
Current Service Cost	(956)	(1,109)
Interest Cost	(859)	(659)
Contributions by scheme participants	(138)	(142)
Re-measurement gains / (losses)		
actuarial gains / (losses) arising on changes in demographic assumptions	221	197
actuarial gains / (losses) arising from changes in financial assumptions	12,593	2,311
actuarial gains / (losses) arising from changes in other experience	(1,330)	(42)
Past service gains / (losses)	-	-
Settlements and curtailments	-	-
Estimated Unfunded benefits paid	26	25
Estimated Benefits paid	471	458
Closing Balance at 31 March	(21,526)	(31,554)

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

	2022/23	2021/22
	£000	£000
Opening Fair Value of Pension Fund Assets	32,827	30,393
Interest Income	887	608
Re-measurement gains and (losses)		
expected return on pension fund assets	(1,403)	1,732
actuarial gains and losses	-	-
other experiences	-	-
The effect of changes in foreign exchange rates	-	-
Contributions by members	138	142
Contributions by the employer	399	410
Contributions in respect of Unfunded Benefits	26	25
Benefits Paid	(497)	(483)
Closing Fair Value of the Scheme Assets	32,377	32,827

Analysis of Pension Fund Assets

			31/03/23			31/03/22
	Quoted prices in active markets	Quoted prices not in active markets	Total	Quoted prices in active markets	Quoted prices not in active markets	Total
	£000	£000	£000	£000	£000	£000
Cash and Cash Equivalents	448	166	614	824	11	835
Equity Instruments	6,322	56	6,378	7,218	16	7,234
Debt Instruments	0	0	0	0	0	0
Real Estate	0	2,670	2,670	0	2,768	2,768
Derivatives	0	0	0	0	0	0
Private Equity	0	7,958	7,958	0	6,426	6,426
Investment Funds	140	14,617	14,757	182	15,382	15,564
Asset Backed Securities	0	0	0	0	0	0
Structured Debt	0	0	0	0	0	0
Total	6,910	25,467	32,377	8,224	24,603	32,827

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, to provide an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme has been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates for the Strathclyde Pension Fund being based on the latest valuation of the scheme as at 31 March 2023.

The principal assumptions used by the actuary were:

	2022/23	2021/22
	Years	Years
Mortality Assumptions:		
Longevity at 65 for current pensioners		
Male	19.3	19.6
Female	22.2	22.4
Longevity at 65 for future pensioners		
Male	20.5	21.0
Female	24.2	24.5
Financial Assumptions:	%	%
Rate of inflation / pension increase rate	2.95	3.2
Rate of increase in salaries	3.65	3.9
Expected return on assets	(2.3)	7.7
Rate for discounting scheme liabilities	4.75	2.7
Take up option to convert annual pension into retirement lump sum Pre April 2009 / (Post April 2009)	50(75)	50(75)

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses 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 assumptions analysed changes while all the other assumptions remain constant:

	Approximate % increase in employer's liability	Approximate monetary amount
Change in assumption at 31 March 2023		£000
0.1% decrease in real discount rate	2%	416
1 year increase in member life expectancy	4%	861
0.1% increase in the salary increase rate	0%	59
0.1% increase in the pension increase rate	2%	363

Asset and Liability Matching Strategy

The Fund has an asset and liability matching (ALM) strategy that matches, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. The Fund has matched assets to the pension obligations by investing in long-term fixed interest securities and index linked gilt edged investments with maturities that match the benefits payments as they fall due. A large proportion of the assets relate to equities (78%) and bonds (12%). The scheme also invests in properties (8%) and cash (2%). The comparative year's figures for equities and bonds are 79% and 10% respectively. The ALM strategy is monitored annually or more frequently if necessary.

Impact on the Board's Cash Flow

The objectives of the fund are to keep employers' contributions at a constant a rate as possible. The Fund has an agreed strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating local authorities. Employers' contributions were set at 19.3% for 2022/2023 based on the last triennial valuation completed on 31 March 2020. This same employers' contribution rate (19.3%) has been set for the next year (2023/2024).

The total contributions expected to be made by the Board to the Fund for the year ending 31 March 2024 is approximately £0.399m.

The weighted average duration of the defined benefit obligation for Fund members is 20 years.

Note 17: External Audit Costs

The Board has incurred the following external audit costs:

	2022/23	2021/22
	£000	£000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	9	8
Total	9	8

Note 18: Grant Income

The following Government Grants were received during the year:

	2022/23	2021/22
	£000	£000
Scottish Government Grant – Barclay Funding	698	704
Total	698	704

Note 19: Balance Sheet – Reserves

Unusable Reserves				2022/23				2021/22
	Capital Adjustment Account	Pension Reserve	Employee Statutory Adj. Account	Total	Capital Adjustment Account	Pension Reserve	Employee Statutory Adj. Account	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Opening Balance 1 April	156	1,273	(90)	1,339	177	(2,200)	(121)	(2,144)
Movement in Pension Reserve	-	(1,480)	-	(1,480)	-	3,473	-	3,473
Movement in Annual Leave Accrual	-	-	16	16	-	-	31	31
Capital Expenditure charged against the General Fund	-	-	-	-	-	-	-	-
Charges for Depreciation of Non Current Assets	(21)	-	-	(21)	(21)	-	-	(21)
Amortisation of Intangible Assets	-	-	-	-	-	-	-	-
Closing Balance as at 31 March	135	(207)	(74)	(146)	156	1,273	(90)	1,339

Usable Reserves		2022/23		2021/22
	General Fund Reserve	Total	General Fund Reserve	Total
	£000	£000	£000	£000
Opening Balance 1 April	1,479	1,479	1,127	1,127
Increase / (Decrease) in Reserve	242	242	352	352
Closing Balance as at 31 March	1,721	1,721	1,479	1,479

Note 20: Financing and Management of Liquid Resources

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

Note 21: Comprehensive Income and Expenditure Statement – financing and investment income and expenditure

	2022/23	2021/22
	£000	£000
Pension Interest Cost and Expected Return on Pensions Assets	(28)	51
Total	(28)	51

Note 22: Going Concern

As at 31 March 2023, the Balance Sheet of the Board shows a Net Asset position of £2.071m.

There are statutory arrangements for funding the long-term deficit in respect of the net pension liability and the statutory accumulated absences, as detailed in the Movement in Reserves Statement on page 23, leaving a General Fund Reserve of £1.721m to be carried forward for use in future years. This will be taken into account in future years' budget strategies.

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Lanarkshire Valuation Joint Board for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Lanarkshire Valuation Joint Board as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 16 March 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the Lanarkshire Valuation Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Lanarkshire Valuation Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Lanarkshire Valuation Joint Board ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the Lanarkshire Valuation Joint Board current or future financial sustainability. However, I report on the Lanarkshire Valuation Joint Board arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

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

Responsibilities of the Treasurer and Lanarkshire Valuation Joint Board for the financial statements

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

In preparing the financial statements, the Treasurer is responsible for assessing the Lanarkshire Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the Lanarkshire Valuation Joint Board's operations. The Lanarkshire Valuation Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the Lanarkshire Valuation Joint Board;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Lanarkshire Valuation Joint Board;
- inquiring of the Treasurer concerning the Lanarkshire Valuation Joint Board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Lanarkshire Valuation Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

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

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

Other information

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

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

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

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Pauline Murray
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	4 December 2023
Report by:	Treasurer to Lanarkshire Valuation Joint Board

Subject:	Revenue Budget 2024/2025 – Lanarkshire Valuation Joint Board
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise members of the draft budget for the coming financial year (2024/2025)

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):-

- (1) that the budget strategy resulting in the budget of £4.008 million being set for 2024/2025, summarised in Appendix 1, be approved; and
- (2) that the updated Reserves position, detailed in Table 2, be noted.

3. Background

- 3.1. A Financial Strategy for 2023/2024 to 2025/2026 was approved by the Board on 27 June 2022, and was updated in December 2022 to reflect changes in assumptions for the pay award and the transfer of the Valuation Appeal Panel to the Scottish Courts Service. This report set out a position for 2024/2025. This paper will take the opportunity to review these assumptions and formally propose the Board's Revenue Budget for 2024/2025.
- 3.2. In relation to the Board's Budget Strategy, the workload across all 3 key business areas of the Board (Non-Domestic Valuation, Council Tax Valuation and Electoral Registration) means that ways of maintaining service delivery and compliance with statutory duties of the Assessor and Electoral Registration Officer, against a backdrop of budgetary pressures, continue to be reviewed and are reflected in the proposals in this paper.
- 3.3. Following the 2023/2024 probable outturn exercise, also presented to this meeting, a balance of £0.120 million is anticipated to be transferred to Reserves at the end of this financial year. This will be added to the Reserves carried forward from the previous financial year (£1.721 million, reported to the Board in June 2023) and will mean a balance on Reserves of £1.841 million for use in 2024/2025 and beyond. This updates the previously reported position to the Board in December 2022.
- 3.4. Section 4 provides a reminder of the 2024/2025 Budget Strategy approved as part of the Medium-Term Financial Strategy, and an update on the assumptions used. It also includes a refresh on the level of Reserves available for 2024/2025 and beyond.

4. 2023/2024 Budget Assumptions

- 4.1. The Board's Financial Strategy (June 2022) was updated as part of the Budget process for 2023/2024 (December 2022). The December paper also set out a draft budget for 2024/2025 of £4.345 million. This included the use of £0.422 million of Reserves and was based on the following assumptions:-
- ◆ that the Employee Cost Budget reflects the progression of staff through pay grades, in line with agreed pay structures
 - ◆ that price increases, pay awards and an estimated 1% reduction in contributions are managed by efficiencies generated by the Board in each year
 - ◆ that the budget includes a staff turnover target of 4% per annum (based on prior years' experience this is considered realistic)
 - ◆ that the pay award is budgeted at 1% for 2024/2025 and beyond. Pay Award was noted as an area of risk (refer 4.2)
 - ◆ that the Barclay funding is assumed at the same level as 2023/2024, as no information is known beyond that year
 - ◆ that this position may be affected by further in-year underspends that have not yet been foreseen

2024/2025 Updated Assumptions

- 4.2. **Pay Award (2023/2024 and 2024/2025):** Since this Strategy was approved, the pay award for 2023/2024 has been confirmed at a level higher than the 2% budgeted for 2023/2024. The increased Pay Award for 2023/2024 will be managed through underspends in-year, however, this will need to be addressed in the Budget for 2024/2025. Taking the higher level for 2023/2024 and an assumed level for 2024/2025 would mean an additional annual budget of £0.190 million is required into 2024/2025. As noted above, the draft Budget assumes that the Pay Award is funded by efficiencies, therefore, having no impact on the Budget overall. The Budget proposed is for full establishment for the year and assumes no turnover saving, on the basis that the Assessor is actively recruiting all vacant posts in order to fulfil his duties.
- 4.3. **Pension Contributions:** In September, councils were informed that the recent valuation of Strathclyde Pension Fund resulted in the reduction of Employer Pension Contributions from their current levels. Instead of the current contribution of 19.3%, there will be a reduction in the contribution rates to 6.5% for 2024/2025 and 2025/2026, rising back up to 17.5% in 2026/2027. The proposed Budget for 2024/2025 assumes that the same reduction will apply to the Board's Pension Contributions.
- 4.4. The financial impact of this is a reduction in cost of £0.320 million in each of the years 2024/2025 and 2025/2026. The new rates mean the Board will temporarily spend £0.320 million less on pension payments than is currently assumed for 2024/2025 and 2025/2026, with a permanent saving of £0.040 million from 2026/2027. The proposed Budget includes the reduction in pension Contributions, and also assumes that this is offset by a reduction in councils' Requisition Payments.
- 4.5. The impact of the 2023/2024 Pay Award (confirmed), the 2024/2025 Pay Award (assumed), and the reduction in Pension Contributions for 2024/2025 is presented in Appendix 1 as a proposed Budget for 2024/2025. This revises the budget for 2024/2025 to £4.008 million.

5. Reserves

- 5.1. The Board's Strategy revised in December 2022 included the position across the Board's Reserves. This is shown in Table 1 and shows that the Board anticipated a balance of Reserves of £0.353 million at the end of 2025/2026.

Table 1 – Reserves Forecast and Strategy – December 2022

	2022/23 (year 0) £m	2023/24 (year 1) £m	2024/25 (year 2) £m	2025/26 (year 3) £m
Opening Balance	1.479	1.540	1.268	0.846
Proposed Utilisation of Reserves	0.061	(0.272)	(0.422)	(0.493)
Closing Balance	1.540	1.268	0.846	0.353

- 5.2. However, the Reserves position in Table 1 needs to be updated to reflect the additional Reserves available following favourable 2022/2023 Year-End position (section 3.3), as well as the probable outturn report also presented to this meeting of the Board (section 3.3).
- 5.3. Table 2 updates the impact on Reserves across 2024/2025 and 2025/2026 (the years of the Strategy). It shows that by applying the principles noted in 4.1, the revised assumptions (from section 4.2 onwards) and the updated availability and use of Reserves, the Board would now have a balance of £0.970 million at the end of 2025/2026.

Table 2 – Reserves Forecast and Strategy – Revised December 2023

	2022/23 (year 0) £m	2023/24 (year 1) £m	2024/25 (year 2) £m	2025/26 (year 3) £m
Opening Balance	1.479	1.721	1.841	1.441
Proposed Utilisation of Reserves	0.242	0.120	(0.400)	(0.471)
Closing Balance	1.721	1.841	1.441	0.970

- 5.4. This position is after a reduction in the councils' contributions of £0.400 million in 2024/2025, and significantly, the reduction in requisitions to reflect lower Pension Contributions (section 4.4). This still represents a significant reserve balance. The reason it is considered appropriate to work towards holding this level of reserve relates to a risk that funding for Barclay may not be recurring.
- 5.5. Beyond 2025/2026, the Board will require to cover the risk of the Barclay funding being reduced or removed. Therefore, a £0.970 million balance of reserves is considered appropriate to mitigate this risk and manage any reduction in Budget across a two-year period.
- 5.6. In 2025/2026, there is still a reliance on reserves (£0.471 million). As advised to the Board in June 2022, we will undertake a review of this reliance in the last year of the Strategy (2025/2026). This will be presented to the Board as required.
- 5.7. There is no prescribed minimum or maximum level of Reserves which should be held by a Joint Board. However, it is appropriate that the Board hold some monies in reserve which can be utilised as and when the need arises in any financial year. To facilitate this, notwithstanding the position as detailed in Table 2/Appendix 1, any underspends which may arise in year, will be transferred to Reserves at the end of the financial year. This gives the Board flexibility in managing its budget across years.

- 5.8. As a body that is funded by contributions from councils under the direction of the Board, the Board will manage its budget in year with any risk items identified to the Treasurer as required. Any budget pressures and funding solution would be considered by the Assessor and Electoral Registration Officer and the Treasurer.

6. Employee Implications

- 6.1. There are no direct employee implications contained within this report.

7. Financial Implications

- 7.1. The proposed 2024/2025 Revenue Budget for the Valuation Board is £4.008 million.
- 7.2. This budget assumes a contribution of £0.400 million from Reserves held in the balance sheet.
- 7.3. The Reserves balance is expected to be £1.841 million at the end of 2023/2024, as detailed in the Revenue Budget Monitoring and Probable Outturn Position 2023/2024 report, also presented to this meeting.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no climate change, sustainability or environmental implications in terms of the information contained in this report.

9. Other Implications

- 9.1. The main risk in setting this budget is that there is no additional Barclay funding and that the level of expenditure cannot be managed within the budget set. On behalf of the Board, the Treasurer continues to have dialogue with the Scottish Government via COSLA, to confirm funding and spend expectations.
- 9.2. An additional risk associated with the Valuation Board's Revenue Budget into 2024/2025 is an overspend as a result of the increased workload across the three main service delivery areas. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 10.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

Paul Manning
Treasurer

16 November 2023

Previous References

- ◆ Revenue Budget 2023/2024 – Lanarkshire Valuation Joint Board – 5 December 2022
- ◆ Financial Strategy 2023/2024 to 2025/2026 – Lanarkshire Valuation Joint Board – 27 June 2022

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:

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E-mail: lorraine.o'hagan@southlanarkshire.gov.uk.

Lanarkshire Valuation Joint Board

Revenue Budget 2024/2025

Description	2023/2024 Base Budget	2024/2025 Required Budget	Budget Movement (Inc) / Dec
	£m	£m	£m
Employee Costs	3.258	2.984	0.274
Property Costs	0.208	0.202	0.006
Supplies and Services	0.159	0.159	-
Transport and Plant	0.000	0.005	(0.005)
Administration Costs *	0.628	0.632	(0.004)
Payments to Other Bodies	0.031	0.031	-
Financing Charges	0.013	0.013	-
Gross Expenditure	4.297	4.026	0.271
Income	(0.017)	(0.018)	0.001
Net Expenditure	4.280	4.008	0.272
Net Expenditure Budget Funded by:			
Requisition from North Lanarkshire Council *	2.004	1.804	0.200
Requisition from South Lanarkshire Council *	2.004	1.804	0.200
Use of Monies held in Balance Sheet (c/f from previous years)	0.272	0.400	(0.128)
Net Budget	0.000	0.000	0.272

* The 2023/2024 Base Budget has been revised to reduce the Expenditure Budget (Administration Costs) and Requisition Income from both councils, to reflect the transfer of the Valuation Appeal Panel function to the Scottish Courts Service (£0.112m).

Report

7

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	4 December 2023
Report by:	Assessor and Electoral Registration Officer

Subject:	Progress Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an overview of the service to members
- ◆ outline current issues and service priorities
- ◆ provide an update on performance
- ◆ highlight issues affecting the future direction of the Joint Board

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):-

- (1) that the content of the report be noted

3. Service Overview and Priorities

3.1. Electoral Registration

3.1.1. Annual Canvass

Work is almost complete on this year's annual canvass of electors. The tasks associated with file production including the data matching element of canvass reform, using both national testing data and local data, have been carried out with almost 80% of households in North and South Lanarkshire being fully matched.

The first issue of canvass forms commenced on 1 August 2023 with circa 65,000 properties which did not attain full matching being issued with a canvass form.

Circa 52,000 non-responding properties received a further communication in September 2023. Where no response was received, as with previous canvasses, further follow up action is required including household visits. The door-to-door element of the annual canvass was able to proceed this year and has now been completed for around 41,000 properties.

Canvass reform has introduced new methods of communication, such as a telephone canvass, which count as a personal contact to a property, reducing the number of door knocks required. Some 3,878 calls have been made to properties where a telephone number is currently held.

The revised register is to be published on 1 December 2023.

3.1.2. UK Parliamentary Boundary Review

Following the laying of the Boundary Commission's final recommendations on 28 June, Lanarkshire Valuation Joint Board (LVJB) staff continue to administer the relevant changes to our electronic records.

To ensure accuracy, a short-life working group of Electoral Registration Officer (ERO) staff has been created that has scheduled meetings with the staff of the Returning Officer of both North and South Lanarkshire and maintain close dialogue between meetings.

It is expected that the final legislation will come into force in November 2023 permitting the revised registers to be published on 1 December 2023 reflecting the new UK Parliamentary constituencies.

3.1.3. Elections Act 2022

Since the last Board meeting, a further element of the Elections Act 2022 has come into force. With effect from 31 October 2023, electors wishing to apply for a postal vote at a UK parliamentary election have the option to either make this application via a new online facility or continue to make the application using a paper form sent to their local ERO. The new measures now include the requirement to provide a national insurance number for verification with Department of Work and Pensions (DWP) records and restricts the maximum time limit to 3 years, at which time the elector will need to reapply.

There has been no change to the procedure for making an application for a postal vote in Scottish Parliamentary or local council elections. Therefore, electors who apply online are being advised that if they wish to vote by post in all elections that they should either download and complete a form from the Electoral Commission (EC) website or obtain one from their local ERO.

The Scottish Assessors' Association has been working with partners at the EC and with their own electoral management system providers to ensure that the user journey is as simple and as informative as possible.

3.1.4. Elections Held Since Last Board Meeting

- ◆ 5 October – UK Parliamentary Election – Rutherglen and Hamilton West
- ◆ 16 November – North Lanarkshire Council – Ward 19 Motherwell South East and Ravenscraig

Following the completion of the Rutherglen and Hamilton West recall petition the Electoral Commission has now published its report. (see link below)

[Report on the 2023 recall petition in Rutherglen and Hamilton West | Electoral Commission](#)

The resultant UK by-election for Rutherglen and Hamilton West took place on 5 October 2023 which also required voter ID. There were 24 Voter Authority Certificates (VAC) applications made for this constituency in the lead up to the by-election. The Electoral Commission will report on the by-election in due course.

3.2. Non-Domestic Valuation

A summary of information in this area can be found in Appendices 1.1 to 1.5.

3.2.1. Changes to the 2017 Valuation Roll (Running Roll)

These are highlighted in Appendices 1.1 and 1.2 for the period 1 April to 1 May 2023.

3.2.2. 2005 Valuation Roll Appeals (Revaluation and Running Roll)

A summary of the position with 2005 Revaluation and Running Roll appeals is contained in Appendix 1.3. The outstanding 6 appeals from this revaluation period relate to subjects which now fall to be dealt with by the Renfrewshire Valuation Joint Board under the terms of the designated Assessors' regime.

3.2.3. 2010 Valuation Roll Appeals (Revaluation and Running Roll)

A summary of the position with 2010 Revaluation and Running Roll appeals is contained in Appendix 1.4. It should be noted that all appeals relevant to the 2010 revaluation period have been settled.

3.2.4. 2017 Valuation Roll Appeals (Revaluation and Running Roll)

A summary of the position with regards to 2017 Revaluation and Running Roll appeals is contained in Appendix 1.5. Table 2 continues to include the exceptionally large numbers of appeals received in connection with the coronavirus pandemic.

The Scottish Courts and Tribunals Service and the Scottish Government are aware of the large number of Covid-19 appeals still to be dealt with across the country and following a consultation exercise, the Scottish Government has now legislated for the extension of the disposal date for such appeals by 12 months to 31 December 2024.

The vast majority of the outstanding appeals shown at Appendix 1.5 have been transferred from the Lanarkshire Valuation Appeal Panel to the newly created Local Taxation Chamber of the Scottish Courts and Tribunals Service who has written to the appellants or their professional agent to advise if they wish to maintain these appeals for a future hearing.

A further 56 appeals have been transferred from the Lands Tribunal for Scotland to the Upper Tribunal for Scotland. Again, the appellants will be written to, seeking confirmation of their intention to maintain the appeal.

On conclusion of this exercise, it is expected that both Tribunals will provide a definitive list of those appeals remaining. At which time these tables will be more accurately updated and presented to a future meeting of the Joint Board.

3.2.5. 2023 Valuation Roll Proposals (Revaluation and Running Roll)

With effect from 1 April 2023, a new 2-stage proposal and appeal regime has been enacted. Now, instead of lodging an appeal against a valuation roll entry, the ratepayer will initially lodge a proposal outlining the value that they seek and submitting any evidence that they have that they believe justifies a reduction to that value.

Each proposal will be allocated a “proposal determination date” by which date Assessor’s staff will issue a written decision to the proposer. Dissatisfied proposers may then lodge a formal appeal with the First-tier Tribunal.

The last date for lodging first-stage proposals against the 2023 revaluation entries was 31 August 2023. Some 1,402 proposals have been received and a schedule has now been devised by the Management Team to ensure their efficient disposal by the statutory date of 30 September 2025 and an update of progress will be provided to the Board from the March 2024 meeting onwards.

3.3. Council Tax

A summary of information in this area can be found in Appendices 2.1 to 2.4.

3.3.1. New Houses

A summary of the position for the period 1 April to 1 November 2023 is contained at Appendix 2.2.

3.3.2. Proposals and Appeals

Appendices 2.3 and 2.4 contain information on Council Tax proposals and appeals.

4. Staffing

- 4.1. Since the last Board meeting, the following recruitment and selection processes have been undertaken.

The vacant post of Assistant Assessor and Electoral Registration Officer has been filled by Jacqueline Dell who has joined the organisation from her previous post in Renfrewshire Valuation Joint Board and will join LVJB's Senior Management Team.

Following the retirement of a Divisional Assessor, Neil Woodside has been promoted from his previous role within LVJB and will join the organisation's Management Team.

In terms of departures, a Valuer has tendered their resignation to take up a promoted post with Ayrshire Valuation Joint Board. Two graduate surveyors have also left the organisation to take up roles with North Lanarkshire Council and South Lanarkshire Council respectively.

LVJB's Management Team continues to actively monitor staffing requirements in relation to service provision needs. An external advert for Principal Valuers did not lead to any successful applications being received and following an external advert for Divisional Valuers, only one application has been received.

- 4.2. Staff absence levels for the last year are summarised in Appendix 3.0.

5. Other Matters

5.1. Complaints Received and Dealt with Since Last Progress Update Report

Since the last update provided to the Board, there have been 2 complaints received by the organisation. One was partially upheld whilst the other was not upheld.

5.2. Complaints to the Ombudsman

No decisions have been received from the Scottish Public Services Ombudsman (SPSO) since the last meeting of the Board.

6. Employee Implications

- 6.1. See 4 above.

7. Financial Implications

- 7.1. None.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no climate change, sustainability or environmental implications in terms of the information contained in this report.

9. Other Implications

- 9.1. There are no implications for risk in terms of the information contained in this report.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.

- 10.2. There is no requirement for consultation in respect of this report.

11. Privacy Impact Assessment

- 11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.

Renzo Pacitti BSc MRICS
Assessor and Electoral Registration Officer

16 November 2023

Previous References

- ◆ Progress Update Report for Board meeting of 4 September 2023

List of Background Papers

- ◆ None

Contact for Further Information

If you require further information, please contact:-

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Alterations made to the Valuation Roll (including appeal adjustments) between 01/04/2023 and 01/11/2023

Area	AS AT 01/04/2023		ADDED		DELETED		ALTERED		AS AT 01/11/2023	
	SUBJECTS	RV	SUBJECTS	RV	SUBJECTS	RV	SUBJECTS	RV	SUBJECTS	RV
North Lanarkshire	10,507	304,958,720	628	2,992,050	198	893,025	42	-248,900	10,937	306,808,845
South Lanarkshire	11,072	809,007,634	710	2,601,180	106	675,660	111	-28,128,870	11,676	782,804,284
LVJB total	21,579	£1,113,966,354	1,338	£5,593,230	304	£1,568,685	153	- £28,377,770	22,613	£1,089,613,129

Summary of time taken to make alterations (excluding appeal adjustments) to the Valuation Roll

Period: 1 April 2023 to 1 November 2023

Area	Total altered	altered < 3 months		altered 3 to 6 months		altered > 6 months	
	No.	No.	%age	No.	%age	No.	%age
North Lanarkshire	831	750	90.25%	69	8.30%	12	1.44%
South Lanarkshire	904	840	92.92%	62	6.86%	2	0.22%
LVJB totals	1735	1590	91.64%	131	7.55%	14	0.81%

Valuation Roll Appeals: Revaluation and Running Roll 2005

1. Revaluation Appeals

Area	Appeals received since 2005 Valuation Roll	Appeals resolved as at 1 November 2023	Appeals heard but awaiting stated case for appeal to Lands Valuation Appeal Court	Rateable Value of Appeals in process of appeal to LVAC	Appeals outstanding awaiting determination of Upper Tribunal for Scotland	Rateable Value of Outstanding Appeals awaiting determination of Upper Tribunal for Scotland	Appeals Outstanding as at 1 November 2023
North Lanarkshire	3,921	3,919	0	£0	2	£21,150	2
South Lanarkshire	3,148	3,147	0	£0	1	£50,800	1
LVJB total	7,069	7,066	0	£0	3	£71,950	3

2. Running Roll Appeals

Area	Appeals received since 2005 Valuation Roll	Appeals resolved as at 1 November 2023	Appeals heard but awaiting stated case for appeal to Lands Valuation Appeal Court	Rateable Value of Appeals in process of appeal to LVAC	Appeals outstanding awaiting determination of Upper Tribunal for Scotland	Rateable Value of Outstanding Appeals awaiting determination of Upper Tribunal for Scotland	Appeals Outstanding as at 1 November 2023
North Lanarkshire	2,023	2,022	0	£0	1	£36,500	1
South Lanarkshire	1,695	1,693	0	£0	2	£90,050	2
LVJB total	3,718	3,715	0	£0	3	£126,550	3

Valuation Roll Appeals: Revaluation and Running Roll 2010

1. Revaluation Appeals

Area	Appeals received since 2010 Valuation Roll	Appeals resolved as at 1 November 2023	Appeals heard but awaiting stated case for appeal to Lands Valuation Appeal Court	Rateable Value of Appeals in process of appeal to LVAC	Appeals outstanding awaiting determination of Upper Tribunal for Scotland	Rateable Value of Outstanding Appeals awaiting determination of Upper Tribunal for Scotland	Appeals Outstanding as at 1 November 2023
North Lanarkshire	4,460	4,460	0	£0	0	£0	0
South Lanarkshire	3,103	3,103	0	£0	0	£0	0
LVJB total	7,563	7,563	0	£0	0	£0	0

2. Running Roll Appeals

Area	Appeals received since 2010 Valuation Roll	Appeals resolved as at 1 November 2023	Appeals heard but awaiting stated case for appeal to Lands Valuation Appeal Court	Rateable Value of Appeals in process of appeal to LVAC	Appeals outstanding awaiting determination of Upper Tribunal for Scotland	Rateable Value of Outstanding Appeals awaiting determination of Upper Tribunal for Scotland	Appeals Outstanding as at 1 November 2023
North Lanarkshire	5,480	5,480	0	£0	0	£0	0
South Lanarkshire	6,727	6,727	0	£0	0	£0	0
LVJB total	12,207	12,207	0	£0	0	£0	0

Valuation Roll Appeals: Revaluation and Running Roll 2017

1. Revaluation Appeals

Area	Appeals received since 2017 Valuation Roll	Appeals resolved as at 1 November 2023	Appeals heard but awaiting stated case for appeal to Lands Valuation Appeal Court	Rateable Value of Appeals in process of appeal to LVAC	Appeals outstanding awaiting determination of Upper Tribunal for Scotland	Rateable Value of Outstanding Appeals awaiting determination of Upper Tribunal for Scotland	Appeals Outstanding as at 1 November 2023
North Lanarkshire	4,726	4,714	0	£0	12	£2,715,975	12
South Lanarkshire	4,553	4,536	0	£0	17	£80,070,775	17
LVJB total	9,279	9,250	0	£0	29	£82,786,750	29

2. Running Roll Appeals

Area	Appeals received since 2017 Valuation Roll	Appeals resolved as at 1 November 2023	Appeals heard but awaiting stated case for appeal to Lands Valuation Appeal Court	Rateable Value of Appeals in process of appeal to LVAC	Appeals outstanding awaiting determination of Upper Tribunal for Scotland	Rateable Value of Outstanding Appeals awaiting determination of Upper Tribunal for Scotland	Appeals Outstanding as at 1 November 2023
North Lanarkshire	4,672	3,388	0	£0	2	£21,125	1,284
South Lanarkshire	5,044	3,210	0	£0	24	£732,035,875	1,834
LVJB total	9,716	6,598	0	£0	26	£732,057,000	3,118

Council Tax Subjects as at 01/11/2023

	ENTRIES AS AT 01/04/2023			ADDITIONS			DELETIONS			CURRENT ENTRIES			BAND 'D' EQUIVALENT		
BAND	NORTH	SOUTH	TOTAL	NORTH	SOUTH	TOTAL	NORTH	SOUTH	TOTAL	NORTH	SOUTH	TOTAL	NORTH	SOUTH	TOTAL
A	53052	36034	89086	33	71	104	215	19	234	52870	36086	88956	35248	24059	59307
B	38020	30807	68827	36	66	102	11	7	18	38045	30866	68911	29591	24008	53599
C	20210	26973	47183	199	95	294	8	4	12	20401	27064	47465	18134	24057	42192
D	18002	22138	40140	192	182	374	3	8	11	18191	22312	40503	18191	22312	40503
E	17377	20736	38113	118	106	224	5	9	14	17490	20833	39523	22980	27372	50353
F	10287	13714	24001	141	185	326	3	2	5	10425	13897	24322	16941	22583	29523
G	3108	7042	10150	27	92	119	2	7	9	3133	7127	10260	6135	13957	20092
H	167	585	752	3	1	4	0	2	2	170	584	754	417	1431	1847
TOTAL	160223	158029	318252	749	798	1547	247	58	305	160725	158769	319494	147638	159778	307416
'D' EQUIV.	146952	158854	305806	863	988	1851	177	63	241	147638	159779	307416			

JOINT BOARD TOTALS

		01/04/2023	01/11/2023	Increase
TOTAL CHARGEABLE ENTRIES	North	160223	160725	502
	South	158029	158769	740
	Total	318252	319494	1242
BAND 'D' EQUIVALENT	North	146952	147638	686
	South	158854	159779	925
	Total	305806	307416	1610

Summary of time taken to enter new houses in Valuation (Council Tax) List

Period: 1 April 2023 to 1 November 2023

Area	Total added	added < 3 months		added 3 to 6 months		added > 6 months	
North Lanarkshire	749	705	94.13%	33	4.41%	11	1.47%
South Lanarkshire	798	762	95.49%	10	1.25%	26	3.26%
LVJB totals	1547	1467	94.83%	43	2.78%	37	2.39%

Summary of Council Tax Proposals/Appeals received and dealt with as at 1 November 2023

Valid	Proposals/Appeals outstanding @ 1 April 2023	Proposals/Appeals received since 1 April 2023	Proposals/Appeals completely resolved 01/04/2023 to 01/11/2023
North Lanarkshire	13	16	20
South Lanarkshire	33	48	47
LVJB total	46	64	67

Invalid	Proposals/Appeals outstanding @ 1 April 2023	Proposals/Appeals received since 1 April 2023	Proposals/Appeals completely resolved 01/04/2023 to 01/11/2023
North Lanarkshire	52	25	67
South Lanarkshire	54	54	96
LVJB total	106	79	163

Combined	Proposals/Appeals outstanding @ 1 April 2023	Proposals/Appeals received since 1 April 2023	Proposals/Appeals completely resolved 01/04/2023 to 01/11/2023
North Lanarkshire	65	41	87
South Lanarkshire	87	102	143
LVJB total	152	143	230

Summary of resolution of Council Tax Proposals/Appeals Between 1 April 2023 and 1 November 2023

Valid	Proposals/Appeals completely resolved 01/04/2023 to 01/11/2023	Number withdrawn	Number abandoned	Number adjusted	Number dismissed by VAC/LTC	Number adjusted by VAC
North Lanarkshire	20	11	3	6	0	0
South Lanarkshire	47	34	5	8	0	0
LVJB total	67	45	8	14	0	0

Invalid	Proposals/Appeals completely resolved 01/04/2023 to 01/11/2023	Number withdrawn	Number abandoned	Number adjusted	Number dismissed by VAC/LTC	Number adjusted by VAC
North Lanarkshire	67	0	58	1	8	0
South Lanarkshire	96	7	81	0	8	0
LVJB total	163	7	139	1	16	0

Combined	Proposals/Appeals completely resolved 01/04/2023 to 01/11/2023	Number withdrawn	Number abandoned	Number adjusted	Number dismissed by VAC/LTC	Number adjusted by VAC
North Lanarkshire	87	11	61	7	8	0
South Lanarkshire	143	41	86	8	8	0
LVJB total	230	52	147	15	16	0

ABSENCE MANAGEMENT STATISTICS

Month	Self Certified		Medically Certified		Unauthorised Absence		Total			Total			
										Month	No of Days	Work days available	%
	No of Days	%	No of Days	%	No of Days	%	No of Days	Work Days Avail	%				
November 2022	13	0.9%	51	3.7%	Nil	0%	64	1378	4.6%	November 2021	95	1404	6.8%
December 2022	18	1.3%	62	4.5%	Nil	0%	80	1384	5.8%	December 2021	96	1459	6.6%
January 2023	12	0.9%	28	2.0%	Nil	0%	40	1369	2.9%	January 2022	52	1344	3.9%
February 2023	22	1.8%	28	2.3%	Nil	0%	50	1226	4.1%	February 2022	66	1262	5.2%
March 2023	11	0.8%	46	3.3%	Nil	0%	57	1397	4.1%	March 2022	102	1402	7.3%
April 2023	19	1.6%	17	1.4%	Nil	0%	36	1225	2.9%	April 2022	49	1262	3.9%
May 2023	6	0.4%	26	1.8%	Nil	0%	32	1417	2.3%	May 2022	24	1345	1.8%
June 2023	10	0.8%	20	1.5%	Nil	0%	30	1306	2.3%	June 2022	99	1347	7.3%
July 2023	3	0.2%	21	1.7%	Nil	0%	24	1240	1.9%	July 2022	90	1277	7.0%
August 2023	13	1.0%	19	1.4%	Nil	0%	32	1336	2.4%	August 2022	110	1401	7.9%
September 2023	16	1.3%	22	1.8%	Nil	0%	38	1216	3.1%	September 2022	93	1373	6.8%
October 2023	39	3.0%	29	2.2%	Nil	0%	68	1318	5.2%	October 2022	65	1367	4.8%
Averages for 12	15	1.17%	31	2.3%	Nil	0%	46	1318	3.47%		78	1354	5.8%

