

Notice of Meeting and Agenda

10.00 am Monday, 16th September, 2024

Dean of Guild Court Room - City Chambers

1. Order of Business

1.1 Order of Business

Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declaration of Interests

2.1 Declaration of Interests

Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Minutes

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| 3.1 | Minute of the Lothian Valuation Joint Board of 24 June 2024 – submitted for approval as a correct record | 5 - 8 |
|------------|--|-------|

4. Reports

4.1	Assessors Progress Report to Lothian Valuation Joint Board	9 - 40
4.2	2023/24 Proposed Annual Audit Report to members of Lothian Valuation Joint Board and the Controller of Audit	41 - 58
4.3	Audited Annual Accounts for the Year Ended 31st March 2024	59 - 112
4.4	Period 4 Financial Statement 2024/25	113 - 118

Paul Lawrence, Chief Executive

Membership

The City of Edinburgh Council (9)

Councillor Alan Beal (Vice-Convener)

Councillor Graeme Bruce

Councillor Jack Caldwell

Councillor James Dalgleish

Councillor Denis Dixon

Councillor Catherine Fullerton

Councillor Fiona Glasgow

Councillor Stephen Jenkinson

Councillor Alex Staniforth

East Lothian Council (2)

Councillor Carol McFarlane

Councillor John McMillan

Midlothian Council (2)

Councillor Douglas Bowen

Councillor Margot Russell

West Lothian Council (3)

Councillor Alison Adamson

Councillor Tony Boyle

Councillor Tom Conn (Convener)

Notes:

- (1) If you have any questions about the agenda or meeting arrangements, please contact Daniel Baigrie | Committee Services | Legal and Assurance | City of

Edinburgh Council | Business Centre 2:1 | Waverley Court | 4 East Market Street |
Edinburgh | EH8 8BG | tel 0131 529 4264 | email daniel.baigrie@edinburgh.gov.uk

- (2) The agenda, minutes and public reports for this meeting can be viewed online by going to www.edinburgh.gov.uk/meetings .

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Lothian Valuation Joint Board

24 June 2024

Hybrid Meeting held in the Main Council Chamber, City Chambers, High Street, Edinburgh and virtually by Microsoft Teams

Present:

City of Edinburgh Council – Councillors Beal (Vice-Convenor, in the Chair), Bruce, Caldwell, Dalgleish, Dixon, Fullerton, Glasgow, Jenkinson and Staniforth.

East Lothian Council – Councillor McFarlane

West Lothian Council – Councillor Adamson

1 Minute

Decision

To approve the minute of the Lothian Valuation Joint Board of 15 April 2024 as a correct record.

2 Interim Appointment of Assessor and Electoral Registration Officer

The current Assessor and ERO of the LVJB was due to retire in November 2024 and at its meeting on 15th April 2024 the Board agreed to appoint an interim Assessor and ERO for a period of 18 months. The interim role was advertised internally within the LVJB, and two applications were received. The recruitment panel comprising Councillors Boyle, Beal, Glasgow, and Russell interviewed both candidates on 29 May 2024.

Decision

- 1) To note the decision of the recruitment panel to appoint Rory Mackenzie as the interim Assessor and Electoral Registration Officer (ERO) for Lothian Valuation Joint Board.

Lothian Valuation Joint Board
24 June 2024

- 2) To note, as this appointment is only an interim appointment a recruitment panel will convene in the summer of 2025 with the aim of securing a permanent Assessor and ERO.

(Reference – report by the HR Manager, LVJB, submitted)

3 Chief Executive and Clerk

On 9 May 2024, The City of Edinburgh Council (the Council) appointed Paul Lawrence as Chief Executive. The report advised of arrangements for the Joint Board's Chief Executive and Clerk in light of changes to the senior management within the Council.

Decision

To appoint Paul Lawrence, the Council's Chief Executive Officer as the Chief Executive and Clerk.

(Reference – report by the Treasurer, submitted)

4 Assessor's Progress Report to the Lothian Valuation Joint Board

The current service delivery, priorities, risks and future direction of the board was summarised. This included Electoral Registration, Postal / Proxy Votes, Voter Authority Certificates, Canvass, Valuation Roll, Council Tax and Revaluation. The decision to call the 2024 General Election was noted in the report.

Decision

To note the contents of the report including the Internal Audit appended to report.

(Reference – report by the Assessor and Electoral Registration Officer, submitted)

5 Unaudited Annual Accounts 2023-24 and Treasury Management Report 2024-24

The unaudited Annual Accounts for the year ended 31st March 2024 were presented. The report also provided the annual Treasury Management report for 2023/24.

Decision

To note:

Lothian Valuation Joint Board
24 June 2024

- 1) The unaudited Annual Accounts for the year ended 31st March, 2024.
 - 2) The Audited Annual Accounts for 2023/24 will be presented to the Board on completion of the external audit.
 - 3) The annual Treasury Management report for 2023/24.
- (Reference – report by Treasurer, submitted)

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ASSESSOR'S PROGRESS REPORT TO LOTHIAN VALUATION JOINT BOARD



16 September 2024

1.0 PURPOSE

1.1 To provide members with an overview of current service delivery, priorities, risks, and future direction.

2.0 ELECTORAL REGISTRATION – MAINTENANCE AND ELECTIONS

2.1 Since the last progress report to the Board in June, all maintenance tasks supporting the registration process have continued. This includes all tasks during the UK Parliamentary election in July 2024.

2.2 Processing volumes continue to be steady, with a significant upturn in numbers of applications received during the UK Parliamentary election. The number of additions/deletions by council area is shown as Appendix 1. Between the period 3 June to 2 September, a net increase of 22,293 electors was recorded to the Register.

2.3 The UK Parliamentary election on 4 July caused a significant increase in workload. The election was successfully delivered within the tight timescale thanks to enormous staff effort, including participation from non-electoral staff members. The election also was successfully delivered with a large number of staff working from home.

2.4 A by-election took place in West Lothian on 22 August 2024, following the death of Councillor Borrowman. Although additional work is generated by all by-elections, these are not of the same scale as a wider electoral event and are largely handled within the day-to-day business of the core electoral team.

2.5 As is the case with all by-elections, our Enquiry Agents made several visits to the by-election area in West Lothian to assist with voter registration and awareness.

3.0 POSTAL VOTES/PROXY VOTES

3.1 The number of electors currently choosing to vote by post remains largely consistent from previous reports, though there was a significant increase around the time of the UK Parliamentary elections. Many of these postal votes were for a single election which may have been generated due to the proximity of the election to the school holidays. See Appendix 2.

3.2 Prior to the UK Parliamentary election, we contacted all overseas electors without an absent vote in place to encourage them to register to vote by post or proxy. These communications also highlighted the postal timescales involved if postal votes were required to be sent significant distances overseas and highlighted the option of voting by proxy as an alternative.

4.0 ELECTORAL REGISTRATION ENGAGEMENT

- 4.1 We continue to engage with electors and promoting the functions of the Electoral Registration office to include home movers, prisoners and foreign nationals. This includes regularly attending British citizenship ceremonies.
- 4.2 We continue to issue application forms to students each academic year. Student data is gathered from universities and colleges within Lothian. Our engagement team will be visiting each of the four universities' Fresher's Fairs in order to facilitate student registration.
- 4.3 Discussions have been undertaken with the University of Edinburgh to make electoral registration part of the matriculation process. This is anticipated to begin in the 2025/2026 academic year. It is hoped that this can be extended to other educational institutions.

5.0 ELECTORAL REGISTRATION – VOTER AUTHORITY CERTIFICATES

- 5.1 Although additional Voter Authority Certificates were issued during the UK Parliamentary election, these have not reached significant numbers and do not represent an operational difficulty to the Board.

6.0 CANVASS

- 6.1 The announcement of the UK Parliamentary election on 4 July delayed the commencement of the annual canvass.
- 6.2 Following the national and local data matching process, 348,124 properties were allocated to Route 1; 96,244 properties were allocated to Route 2; and 12,753 properties were allocated to Route 3.
- 6.3 Our initial e-canvass generated a return from 92,339 properties from Route 1. The remainder will be issued with a paper canvass communication but are not required to respond unless the information has changed.
- 6.4 Our Enquiry Agents have been visiting properties from Route 3 where a single responsible person (SRP) is available, such as hotels and hostels.
- 6.5 Since the last progress report to the Board in **April** all maintenance tasks supporting the registration process have continued.
- 6.6 Processing volumes continue to be steady. The number of additions/deletions by council area is shown as Appendix 1. Between the period 1 April to 31 May, a net increase of 532 electors was recorded to the Register.
- 6.7 The sudden announcement of a UK Parliamentary election to be held on 4 July 2024 has caused a considerable increase in workload volumes. Recruitment and training has been undertaken prior to the announcement of the election, however the relatively quick and unexpected announcement has meant that training has had to be delivered more rapidly than anticipated.
- 6.8 A considerable amount of staff from the valuation teams have volunteered their services to work on electoral work during this period, and the numbers of our core team has been augmented with both temporary staff and volunteers from the valuation teams. These new members are providing critical support to our core team and have been invaluable.

7.0 VALUATION ROLL – MAINTENANCE

7.1 Since the last report to the Board, the cumulative total of key value changes made to the Valuation Roll for the period 1 April 2024 to 31 August 2024 was 625. The breakdown of those changes was as follows.

7.2

	Edinburgh	Midlothian	West Lothian	East Lothian	Total
Inserts	122	15	27	22	186
Deletions	218	18	24	40	300
Amendments	89	13	19	18	139
Totals	429	46	70	80	625

7.3 In terms of performance 51% of running Roll changes (which excludes any changes to the Valuation Roll made as result of an appeal/proposal) have been actioned within 3 months of them becoming effective.

7.4 The Assessor's 3-month KPI target for the 2024/25 valuation year stands at 50%. As we are only five months into the current valuation year that headline figure looks disappointing. As was signposted in the last Board report, that target will continue to be encumbered as a result annual audit of Self-Catering Units which sees properties being transferred from one valuation register to another. Any Self-Catering Units that no longer qualify as being excluded from the definition of a dwelling in accordance with regulations, must be removed from the Valuation Roll and entered on the Valuation List. The point on which that date becomes effective is guided by statute and will normally be beyond our primary KPI target of three months.

7.5 We are now currently more than halfway through the processing of changes as a result of the outcome of the audit and so these figures will continue to be affected. A further consequence of the audit process for any properties that are removed from the Roll and entered on the List for the year 2023/2024 due to their ineligibility is that those taxpayers are able reapply for those properties to be re-entered on the Valuation Roll during the currency of this valuation year 2024/2025. Providing they meet the qualifying requirements for that year, they will be subsequently removed from the List and then entered back on the Roll. As that too is likely to now be beyond any 3-month processing target from the point they became effective, it further compounds the challenge in meeting our headline Valuation Roll performance target, with the original deletion from the Roll for 23/24 and any subsequent re-entry in 24/25, both being beyond our primary 3-month target.

7.6 On that basis, I hereby provide the Valuation Roll stats excluding any changes made for self-catering properties. I believe this provides context and is a far fairer reflection of performance for changes that the Assessor is in greater control of. By doing that, the 3-month performance for all other key value changes increases to 70% which is clearly more encouraging than the all-inclusive headline figure of 51%. That disparity clearly highlights the impact of SCU's on office performance, notwithstanding the time and resources required to deal with that category of subject. It is somewhat disheartening to think that the office will likely spend more dedicated time dealing with these relatively low value subjects than any other subject type within our Roll.

8.0 COUNCIL TAX – MAINTENANCE

8.1 In terms of all activity to the Valuation List over the period from 01/04/2024 to 01/09/2024, the total inserts made to the list and the breakdown across all the constituent councils is as follows.

8.2

	Edinburgh	Midlothian	West Lothian	East Lothian	Total
Inserts	1251	291	433	422	2397
Deletions	69	4	13	30	116
Amendments	43	22	25	19	109
Totals	1363	317	471	471	2622

8.3 Of the 2622 inserts that have been made to the list, the distribution in terms of constituent council and valuation bands allocated are as follows.

Band	Council Authority				
	Edinburgh	Midlothian	West Lothian	East Lothian	Total
A	95	3	2	2	102
B	180	29	33	46	288
C	114	28	114	32	288
D	234	63	78	89	464
E	269	36	66	114	485
F	176	72	89	94	431
G	163	57	49	41	310
H	20	3	2	4	29
Total	1,251	291	433	422	2397

8.4 With respect to performance for the insertion of properties onto the List during the valuation year 2024/2025, this currently stands at 74% being processed within 3 months of them becoming effective on the list. Our office target for this year is 80%. The primary reason for a failure to keep in pace with that target is again largely a consequence of our annual Self-Catering audit and the number of changes we have had to make as a result of that. I refer to my comments above in respect of that in terms of why these changes are normally made late and why they not only affect the Valuation Roll but also the Valuation List.

In similar vein to what was done with the Valuation Roll figures in providing some context, when the inserts specifically for Self-Catering Units are removed from the above performance calculation for Council Tax, the 3-month KPI insert figure increases to 79%. It must be remembered, that for any changes deemed applicable as result of the audit, it negatively affects both the Valuation Roll and Valuation List as these properties must transfer from one register to another from the same date. As we have over 1000 of these properties to audit each year, we are at a comparative disadvantage to other Assessors and are impacted not only in terms of the staff resource but also in time spent assessing eligibility and processing numerous changes. When we do make changes, these as shown have a clear and measurable effect on performance targets as they count double as a result of the transferable nature of the change along with the processing time lag caused by the statutory process.

9.0 R2017 VALUATION ROLL APPEALS UPDATE

9.1 Progress continues to be made in reducing the number of outstanding Covid appeals with around 2,800 now outstanding, down from almost 3,800 at the time of the last report. This reflects the increase in the number of cases which are being withdrawn by professional agents, confirmation of which has now been received from the SCTs.

- 9.2 That leaves approximately 430 non Covid Revaluation 2017 appeals that must be disposed of by 31 December 2024. First Tier Tribunal hearings are set over the coming months in order to deal with these appeals and a staff operations team is working through the cases. It is our expectation that at least one of the remaining cases will proceed to formal hearing stage.
- 9.3 Additionally, the SAA Executive is continuing to engage with the Local Taxation Chamber with a view to them providing us, and other Assessors, with a final reconciliation of outstanding R17 appeals – when we are in receipt of this information, we will be able to further plan and allocate our resources accordingly.
- 9.4 In respect of the non-domestic R17 appeal case which proceeded to FTT Hearing on 16 May 2024, I am pleased to report that we were successful in this appeal.

10.0 2023 REVALUATION PROPOSAL UPDATE

- 10.1 In respect of the R23 Revaluation Proposals, we are continuing to work in accordance with the national timetable of Proposal Determination Dates (PDD's) which has been set by the Scottish Assessors Association and our own timetable in terms of those Proposals which can be dealt with on a local level. Aside from the proposals which were received as a result of the 2023 Revaluation, we now have around 540 Running Roll proposals in the system.
- 10.2 Having already dealt with and issued Decision Notices on Schools and Showhouses, Lothian has now issued Proposal Determination Date Notices (PDDN's) for the following categories, for which we are the national Practice Note leads – Supermarkets; Hotel & Accommodation Subjects; Distribution Warehouses and Clinics, Health Centres & Surgeries. We have been engaging with professional representatives in respect of each of these categories with Decision Notices due to be issued for each during October and November.
- 10.3 In addition to the above, we have also issued over 500 PDDN's in respect of Industrial properties which are valued by reference to a local Practice Note. Again, we are liaising with the professional agents involved with a view to resolving as many of these as possible prior to the determination date. Our intention is to issue PDDN's for another bulk category, Offices, shortly and we are also working through proposals which have yet to be issued with formal PDDN's such as Retail Warehouses.

11.0 COUNCIL TAX APPEALS

- 11.1 Council Tax appeal cases have continued to proceed before the First Tier Tribunal with several hearings having taken place June, July, and August. I am pleased to say that we have continued to be successful in each of the cases for which we have had the decisions up to this point. Of particular note, is a case which is proceeding before the Upper Tier Tribunal on 17 September and the outcome of this case will be relayed in a future Board report.

12.0 GOVERNANCE STRATEGY GROUP

- 12.1 The latest Governance Strategy Group (GSG) meeting was held on the 2 September 2024.
- 12.2 Following a series of recent successful staff group meetings, there was a high-level discussion over the Assessor's idea to extend the existing Joint Consultation Committee (JCC) within the organisation to include other staff member representation. The suggestion has already been raised with Unison for consideration with further dialog to take place at the next JCC on 9 October.

- 12.3 The Group were advised that LVJB have now entered the market to actively advertise a potential sublet of the 2nd floor space at 17A South Gyle Crescent. The Group agreed that although this is an admirable attempt to create a positive budget saving, the approach was not without risk ie adopting landlord liability for any new tenant. Further consideration should be given to a longer term, sustainable accommodation strategy that both accords with the LVJB's required office space requirements and provides the best platform for continued high quality service delivery. The letting particulars are attached at Appendix 7.
- 12.4 In Spring 2024, an LVJB Green Team was established to initiate, explore and investigate ways in which the organisation can reduce its carbon emissions and function in a more environmentally sustainable manner. The Green Team has encouraged suggestions from all staff and have worked to collate an action plan of workstreams and initiatives which will contribute to us reducing the energy we use, becoming more environmentally efficient and reducing our costs around energy usage and waste collections. The Action Plan and associated progress can be reviewed at Appendix 3.
- 12.5 After an extremely successful launch, this year's Contribution Awards are in the process of being arranged. Appendix 4 details our winners and describes a brief summary of their areas of contribution. Several other nominations were also highly commended. The submissions all clearly demonstrated the hard work, diligence, and enormous commitment of staff members. When the date is finalised, all Board members are actively encouraged to attend the ceremony if available.
- 12.6 A recent external audit clearance meeting with Audit Scotland identified a recommendation on LVJB around the review of risk registers. The issue was "Risk registers are not specifically reviewed by those charged with governance at Board level. There is a risk they do not adequately address the risks facing the organisation." Although risk is raised frequently in the Assessors update report it was agreed that a higher level of regular review, scrutiny and challenge is required. To enable this, it has been agreed that a full review of LVJB risk registers will take place at the next GSG on 21 October with a discussion around the best method of reporting and monitoring risk at Board level.

13.0 CONTINUAL IMPROVEMENT PROGRAMME

- 13.1 We continue to review, evaluate and modernise a range of internal job descriptions. This work is essential in ensuring clarity for staff over their roles and responsibilities and that it accurately reflects their functional position within the organisation. This is an increasingly important task as we further develop new ways of working and introduce leaner processes and procedures.
- 13.2 We have created a "Website Champion" group with an initial remit of ensuring all published content is current and accurate. We hope to further develop the team to begin to consider innovative new ways of how our engagement messaging can be tailored to deliver simple, readily understood communication with stakeholders of the services we provide and the way in which we deliver them.
- 13.3 Over the past couple of months, we have been looking at our project framework across the organisation and how we can improve our project management practices with simplification and standardisation a priority. The effort and time required by project managers and contributors has been a key part of the feedback received. It has also been recognised there are tools available that could support project managers in delivering projects as well as standardising status reporting. This has identified some key improvements in the following areas:
- Clearer definition of project types
 - Creation of working groups aligned to processes or tools
 - Introduction of Loop and Smartsheet as primary project management tools
 - Further work is ongoing in this area to ensure we continue to deliver projects effectively and timeously, supporting essential service delivery requirements.

14.0 HUMAN RESOURCES UPDATE

14.1 Menopause Policy (see Appendix 5)

14.1.1 Over 30% of our employees are females over the age of 45. We have recently drafted a new Menopause Policy to support our staff and managers. The Policy will seek to promote awareness, banish stigma and encourage open conversations in relation to how we may support staff by accommodating practical adjustments and being flexible to ease symptoms and enable staff to remain at work instead of sickness absence or resignation. Our staff must be treated with sensitivity, dignity and respect.

14.1.2 The Policy comprises general information about menopause, a menopause toolkit and template risk assessment to assist managers to support employees. There is also signposting to external help and guidance. Last year, we offered a menopause training course and this was extremely well attended by both female and male staff members and managers. Next steps will be to promote the Policy and toolkit to managers and staff and to seek volunteers willing to be “Menopause Mentors” within our organisation.

14.1.3 The Board are asked to approve this Policy.

14.2 Mental Health Action Plan (see Appendix 6)

14.2.1 A Mental Health Action Plan has been developed to cement our ongoing commitment to supporting mental wellbeing within our workforce. We have used the template provided by Mental Health at Work Programme, which is now run under the guardianship of the MIND charity. This template has enabled us to systematically evaluate our existing support mechanisms and establish where we can continue to enhance our provision in this area.

14.2.2 Next steps will be to communicate the plan effectively with all line managers and staff and to work towards completion of the action plan, in conjunction with signing up to the Mental Health at Work Commitment.

14.2.3 The Board are asked to note this action plan.

15.0 PERIOD 4 FINANCIAL STATEMENT

15.1 I note the content of the Treasurer’s Period 4 Financial Statement.

16.0 AND FINALLY....

I would like to thank the Convenor, Vice Convenor and all the Board members for their support over the last two years.

I would also like to record my thanks to my senior management team also and a special mention to Bernie and Hannah (a couple of stars).

I would also like to thank Myra and Fiona for all their help in putting my Board reports together.

17.0 RECOMMENDATION

The Board is asked to note the content of this report and appendices.

Michael Wilkie
9 September 2024

Electoral Statistics

Table Registration Changes by month – 3 June 2024 to 2 September 2024 inclusive¹

Update Date	Council	Additions	Deletions
3.6.24	City of Edinburgh	5537	2635
7.6.24	City of Edinburgh	5523	3044
25.6.24	City of Edinburgh	8939	3550
27.6.24	City of Edinburgh	5575	1620
1.8.24	City of Edinburgh	2955	1622
2.9.24	City of Edinburgh	1516	1427
3.6.24	East Lothian	578	268
7.6.24	East Lothian	596	385
25.6.24	East Lothian	843	331
27.6.24	East Lothian	534	154
1.8.24	East Lothian	281	182
2.9.24	East Lothian	239	204
3.6.24	Midlothian	441	233
7.6.24	Midlothian	791	403
25.6.24	Midlothian	962	430
27.6.24	Midlothian	538	149
1.8.24	Midlothian	394	200
2.9.24	Midlothian	263	198
3.6.24	West Lothian	795	415
7.6.24	West Lothian	898	585
25.6.24	West Lothian	1576	727
27.6.24	West Lothian	925	260
19.7.24	West Lothian	52	22
30.7.24	West Lothian	17	15
1.8.24	West Lothian	718	382
15.8.24	West Lothian	82	13
2.9.24	West Lothian	560	381

¹ Statistics include monthly updates and election updates. West Lothian has additional election updates as both the UK Parliamentary election and the by-election held on 22 August 2024 generated updates

Postal Voters as at 2 September 2024

Council Area	Postal Voters
City of Edinburgh	94656
East Lothian	21997
Midlothian	17878
West Lothian	30578

LVJB GREEN TEAM – ACTION LIST

ID	Item	Task	Status – September 2024
1	Recycling	<p>Seek advice and guidance from ChangeWaste to increase and improve our recycling rates.</p> <p>Raise awareness of recycling facilities for cans, tins, glass, batteries, etc.</p> <p>Create a map of the building with recycling facilities clearly marked and circulate to staff.</p> <p>Use Friday Focus to promote.</p>	<p>In Progress</p> <p>Change Waste Recycling completed a walk round of the building with Hannah and Fiona in June 2024. A report has been received and we are currently working through options to improve and increase our recycling practices.</p>
2	Bathroom Lights	Put up laminated signs next to light switches in bathrooms asking staff to switch light off when leaving.	Complete
4	Plastic Cups	Reduce use of plastic cups at interviews. Use glasses.	Complete
5	Plastic Cups	Reduce use of plastic cups at staff meetings. Encourage staff to bring their own waterbottle/glass/cup.	<p>Complete</p> <p>Plastic cups removed from meeting rooms and replaced with glasses.</p> <p>Staff notified via Friday Focus.</p>
6	Printer Paper	<p>Investigate if we can increase the amount of recycled paper we use in the printers.</p> <p>Check with ICT Support regarding printer capabilities, i.e. use of different trays for different quality of paper.</p> <p>Check with Scott re purchasing of printer paper.</p>	<p>Complete</p> <p>Paper used is already FSC and PEFC certified which means it is sourced from well-managed forests that meet the highest standards of environmental and social responsibility. For example, forests where three to four trees are planted for every tree cut down. The paper type we use comes with a globally recognised environmental standard, involving working to stringent internal guidelines and processes, such as extensive measures to improve energy efficiency and minimise waste.</p>
7	Val notices	Email these instead of posting.	N/A. Hard copy val notices is legislative.
8	Consider electronic Pay Slips	Enable staff to receive electronic payslips instead of hard copy posted payslips.	Pending new CEC PayRoll system.

9	Use of iPads for plans	Annotating pdf plans on iPad rather than printing.	In Progress 5 styluses purchased to be trialled.
10	Remove paper towels in Bathrooms	Remove paper towels in Bathrooms. Staff can use hand dryers.	In Progress Move to Tork as recommended by Change Waste Recycling.
11	Water Heaters in Kitchens	Consider removing hot water urns in Kitchens and use kettles only instead.	In Progress
12	Paper towels in Kitchens	Consider removing paper towels in Kitchens.	Move to Tork as recommended by Change Waste. In Progress
13	Weekend Heating	Ensure heating is off over weekends. Timer to come back on Sunday evening.	In Progress
14	Surveys	Encourage staff to group surveys together to cut down on travel time. Car pooling. Encourage public transport.	In Progress
15	Reduce Fridge Use	Remove/switch off fridges which are surplus and not used.	In Progress First floor requires 2 x fridges. Second floor fridge use to be monitored.
16	Mitie	Liaise with Mitie for any advice and guidance on reducing our carbon footprint.	New arrangements from Change Waste Recycling will be communicated with Mitie.
17	Lightbulbs	Replace all lightbulbs with more environmentally friendly alternatives.	In Progress Quotes received for this work. To be considered.
18	Electrical Equipment Disposal	Identify an area where staff can drop off electrical items to be recycled.	In Progress via Stone 360
19	Edinburgh Climate Change Institute	Investigate Edinburgh Climate Change Institute (ECCI) (edinburghcentre.org) for additional ideas.	In Progress Emailed Judi Kilgallon for advice and guidance.
20	Encourage purchase and use of electric vehicles	Electric Vehicles Salary Sacrifice Scheme	In Progress via VIV UP or Octopus Energy.

LVJB CONTRIBUTION AWARDS

Award Level	Name	Summary of Contribution
= 1 st	Susan Grierson and Darren McQuade	<p>Susan and Darren have made an enormous contribution in bringing job evaluation in house to LVJB and they have been central to this transition being successful.</p> <p>They have consistently accommodated the immense workload involved alongside their existing roles, with attendance at job evaluation training, adapting and embedding the process in LVJB and willingly making themselves available to prioritise urgent job evaluation cases which were crucial to successful organisation change.</p> <p>Their organisational knowledge, ability to apply the job evaluation scheme consistently and methodically and consistently positive approach has been of enormous benefit to LVJB and will continue to deliver in the future.</p>
2 nd	Lily Hall	<p>Lily has made a number of positive contributions, including using her knowledge and experience to amend working practices and create easy to understand documentation, such as the Microsoft Teams Planner, Self-Catering flow chart, as well as contributions to CRE issue and Reval 26.</p> <p>Lily has also willingly been training new Property Assistants and created a step-by-step reference guide for use by all Property Assistants to support consistency and quality.</p> <p>Lily also worked tirelessly to assist the admin team in delivering the PGE, and thereafter efficiently transitioned back to her regular day to day activities.</p>
= 3 rd	Fiona Cameron	<p>Fiona makes an excellent contribution to LVJB, going above and beyond on a broad range of tasks, both within her own remit and through her willingness to cover for and assist colleagues whenever required.</p> <p>Over the last 12 months, Fiona has absorbed a vast additional workload in relation to supporting staff recruitment at LVJB, with a positive and flexible attitude, including proactively developing her IT skills to advertise vacancies timeously on our own website and creating recruitment videos on Powtoons to promote our vacancies on our Social Media channels.</p> <p>Fiona's contribution in supporting with the creation and review of HR policies and procedures has grown substantially over the past 12 months, alongside working tirelessly to ensure that Friday Focus is published every week to staff.</p>
= 3 rd	Rosaleen McIver	<p>Rosaleen is a conscientious, reliable, and hard-working member of staff who consistently sustains a high standard of work, willing to take on new tasks with positive and approachable enthusiasm.</p> <p>Rosaleen makes an enormous contribution to teamwork by making herself available to give support and advice to colleagues, always going above and beyond to ensure the success of the organisation.</p> <p>Rosaleen's insight has been invaluable in designing new processes to manage changes in legislation and has supported colleagues to Roll out new ways of working, with the elector's benefit at the forefront of her mind.</p>



MENOPAUSE POLICY

June 2024

MENOPAUSE POLICY		
Approved By	Lothian Valuation Joint Board	
Date of Approval	CLT:	26/06/2024
	Unison:	24/07/2024
	LVJB Board:	16/09/2024 (TBC)
Owner	Hannah Carruthers and Fiona Cameron	
Issue	1	
Identity	Menopause Policy	
Location of electronic copy	SharePoint	
Location of paper copy	Human Resources	
Change Authority	Human Resources, Corporate Leadership Team and Trade Unions	
Review Frequency	Annual or as required by legislation	
Next Review Date	TBC	

Issue	Author	Date	Details of Change
1	Fiona Cameron Hannah Carruthers	June 2024	New Policy

MENOPAUSE POLICY

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1.0 INTRODUCTION

- 1.1 The menopause is a natural stage of life experienced by most women and will affect a significant proportion of LVJB's workforce at any time. This Policy refers to "women" throughout, however LVJB recognises and values its diversity and inclusive culture and is aware that menopausal symptoms can also be experienced by men, transgender, non-binary and intersex people. LVJB is committed to providing the right support and working environment to enable employees to better manage symptoms and to continue working well and productively throughout this time in their lives.

2.0 AIMS

- 2.1 The aims of this Policy are to make managers aware of LVJB's responsibility to understand the perimenopause, menopause and related issues and how they can affect employees, their partners, families and work colleagues by educating and informing managers about potential symptoms and how they can support individuals in the workplace. To further raise wider awareness and understanding amongst all employees and to outline support and reasonable adjustments that are available which subsequently could reduce perimenopause, menopause and related sickness by supporting employees to remain in work and retaining their valuable skills and experience (see Appendix 1 – Menopause Toolkit). It is hoped to create an environment in which open conversation about the perimenopause and menopause can be comfortably instigated and in which individuals feel confident in discussing symptoms and asking for support and adjustments in order to continue in their role within the organisation. Appendix 2 is a Checklist for Managers which can help facilitate improved working conditions.

3.0 MONITOR AND REVIEW

- 3.1 This Policy has been created and will be maintained in accordance with the LVJB Policy Approval Framework. It has been agreed by CLT (and the Board as required), in consultation with the Trade Union where appropriate.
- 3.2 Human Resources is responsible for monitoring the effectiveness of this Policy and supporting procedures and will conduct reviews at appropriate intervals.
- 3.3 Anyone who feels they have been unfairly treated or discriminated against should contact the HR Manager.

4.0 EQUAL OPPORTUNITIES

- 4.1 LVJB is committed to equality of opportunity for all its employees and the terms of this Policy and its supporting procedures and guidance notes are designed to ensure the fair and transparent treatment for all staff irrespective of age, race, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, sexual orientation, religion or belief, gender or contractual status. An Equality Impact Assessment is undertaken on this Policy each time it is reviewed and updated.

5.0 RESPONSIBILITY FOR THIS POLICY

- 5.1 Human Resources. Any changes to this Policy and supporting procedures will be made in consultation with appropriate bodies.
- 5.2 LVJB reserves the right to update HR Policies in line with new or updated employment legislation.

6.0 OBJECTIVES

6.1 Managers should:

- understand the organisation's Menopause Policy;
- be able to signpost further resources/education/support outside of the organisation;
- understand their individual role in the situation;
- understand the range of support available within the organisation;
- understand that effects of the perimenopause and menopause can vary widely and consequently, that the changes required to help support a worker can vary from person to person;
- be approachable and take time to make themselves available to those they manage;
- attempt to resolve issues raised fairly, consistently and in a timely manner;
- ensure employees are fully informed and communicated with regarding any issues they have raised.

6.2 Employees should:

- speak to someone at work, such as their line manager, a Menopause Mentor, trade union representative, HR or other appropriate colleague/s about their concerns;
- discuss concerns at the earliest opportunity with the appropriate manager;
- ask what support could be offered to help them manage their symptoms when doing their job;
- actively participate in any agreed process to attempt to manage the matter without delay.

6.3 Human Resources should:

- support managers and employees by providing advice on this Policy;
- ensure any processes undertaken comply with the Policy, so there is fairness and consistency;
- ensure medical information is taken into account when supporting managers with capability issues of their staff.

7.0 DEFINITIONS

7.1 Perimenopause

The perimenopause stage describes the period of hormonal change leading up to the menopause. It can often last for four to five years (though it may continue for many more years for some people, whilst lasting just a few months for others). During the perimenopause, the levels of hormones produced by the ovaries fluctuate. Changes in hormone levels (particularly oestrogen) can lead to symptoms which can have an adverse impact on personal and work life. Those experiencing the perimenopause may have a range of physical and psychological symptoms and may encounter difficulties at work as a result of their symptoms.

7.2 Menopause

The menopause is a natural transition stage in most women's lives. For some, it will be medically induced. Each woman will be affected in different ways and to different degrees over different periods of time and menopausal symptoms can often indirectly affect their partners, families and colleagues as well. Women with disabilities and those with pre-existing health conditions, may find that the menopause can aggravate their existing impairments and health conditions or even trigger new ones. Menopausal symptoms can in turn also be made worse by the woman's disability impairment or health condition. LVJB recognises that for many reasons, women's individual experiences of the menopause may differ greatly.

7.3 Andropause

The male menopause, or andropause, is the decline in male hormone production. Andropause is a term used to describe the symptoms and conditions some men experience after the age of 40. The decline can be very slow (about 1% a year from age 30 to 40 years). Although it is a slower progression, andropause can still be responsible for physical and emotional symptoms in men.

7.4 Transgender

It is recognised that transgender people can also experience menopause symptoms. Trans men will experience a natural menopause if their ovaries remain in place and no hormone therapy is given. Trans men will also experience menopausal symptoms if the ovaries and uterus are surgically removed but symptoms may be reduced or complicated if hormone therapy is in place. Trans women undertaking hormone therapy will generally experience menopausal-like symptoms.

7.5 Non-Binary

Non-binary people do not identify as either male or female however they may also experience menopause. This is dependent on a variety of factors including their sex assigned at birth and their medical treatments. While it is not appropriate to ask about these things, it is important to be aware of them and allow space for the individual to take the lead on the support and adjustments they may require.

7.6 Intersex

The intersex definition is a person born with a combination of male and female biological traits. They therefore may also experience menopause, depending on a variety of factors including their sex assigned at birth and their medical treatments. While it is not appropriate to ask about these things, it is important to be aware of them and allow space for the individual to take the lead on the support and adjustments they may require.

MENOPAUSE TOOLKIT

In an ideal world, it is one that we would all feel able to open up about. Yet many women continue to experience difficult menopause symptoms in silence, especially in the work environment. This toolkit will provide guidance to help you support any team members experiencing menopausal symptoms, encourage open conversations and create a better working environment for women at this time of life.



Some women may find it daunting to discuss the menopause with someone who knows little about it. So the first step to providing support is to understand how the menopause affects women's lives. This will help to make you more approachable and give you the confidence to discuss any issues with your staff. It is also worth considering that many women who start to experience menopausal symptoms may still be learning about the menopause themselves. So providing information and raising awareness within your workplace could make a difference for everyone; whether they are experiencing the menopause themselves, or in a position where they could support colleagues who are.



What is the menopause? At the menopause, a woman's oestrogen levels fall, and she stops having periods. During the time leading up to the menopause – the perimenopause – hormonal changes can cause several physical and psychological symptoms. Some women have mild or no symptoms, but others may be severe symptoms and find it hard to cope. The perimenopause can last for several years, affecting a woman's performance and attendance at work. In the UK, most women go through the menopause between the ages of 45 and 55 with the average age being 51, younger women can be affected too, by early menopause (aged 40 to 45) or premature menopause (before the age of 40). Premature menopause may happen due to surgery (eg a hysterectomy) or medical treatments (eg cancer). The menopause can also affect people from transgender, non-binary and intersex communities, and its symptoms and impact can vary among different ethnic groups.

Understand the symptoms. Every woman experiences the menopause differently, and her symptoms may flare up and down and change over time. Some people treat their symptoms with hormone replacement therapy (HRT), while all women will benefit from looking at their lifestyle and making helpful changes to ease menopause symptoms. Common menopausal symptoms include:

- Hot flushes (a sudden feeling of heat in the face, neck and chest)
- Aches and pains
- An urgent or regular need to urinate
- Irregular or very heavy periods
- Poor sleep and night sweats
- Poor concentration, memory issues, and an inability to think clearly – often called “brain fog”
- Palpitations/change in blood pressure
- Headaches and migraines.



Many women also experience mood changes, feeling low or anxious, and increased stress at work can make this worse. Without treatment or support, menopause symptoms can make it harder for women to cope at work, lowering their confidence and interfering with relationships with colleagues and at home.



How can you help? Treat the menopause with the same support and understanding as you would treat any other ongoing health concerns affecting employees. The menopause can be a particularly sensitive and personal issue, and some women may be worried that they could be stigmatised by colleagues. So it needs to be handled with care. Normalising the menopause in your workplace shows it is being taken seriously and women should not be embarrassed to bring up the topic. Make sure staff know who they can speak to if they are experiencing any menopausal symptoms that do, or could, affect their work in any way. One way to make sure menopause symptoms are not being made worse by the work environment, or by working practices, is to carry out a workplace assessment. Have regular, informal one-to-one chats with your team members to encourage conversations about any issues (including health) that may be affecting their work.

Open up conversations. If team members are struggling with menopausal symptoms, they need to know that help and support is readily available. There is no 'one size fits all' approach and some women may find it easier than others to discuss the menopause with their colleagues or managers. Give staff the option of speaking to someone other than their manager, especially if their manager is younger or male. Some people may feel more comfortable speaking to a colleague they work with more closely, while others may feel more able to talk openly with someone from a completely different part of the organisation who has no influence over their role. Staff may appreciate, for example, the chance to have a female mentor who has been through similar life experiences, or equally sympathetic male mentors who have a partner or family member they supported through the menopause. Treat each team member as an individual, as the menopause affects everyone differently.



The menopause is a sensitive topic, so any conversations should be held in a private area where there will be no interruptions. Do not offer medical advice but do offer support. Suggest employees see their GP if their symptoms are affecting their daily life. Reassure your staff that discussions about their health, including the menopause, will always remain confidential. Information will only be shared if they consent to this. The symptoms (and impact) of the menopause can vary over time. So you'll need to have regular discussions to make sure your team member's needs continue to be met.



Find practical solutions. Specific measures may need to be put in place that will help staff cope with troublesome menopausal symptoms. Even simple changes to a working environment can make a big difference, enabling a woman to continue to perform at her full potential. Some changes may be physical ones, such as providing new equipment, while others may involve being more flexible with certain procedures. For some staff, many of the practical steps below will be easier to do when working from home than in the workplace. But this very much depends on their home environment. For other staff, being at their workplace may be much better. It is important to support staff in working from the most comfortable environment for them, when work duties allow some flexibility.



- Can they sit by an open window for some fresh air?
- Can they adjust the air conditioning or heating?
- Do they need a desk fan for when they have a hot flush?
- Do they have easy access to toilets and washing facilities? Bladder leakage (stress incontinence) may get worse at the menopause.
- Is cold drinking water readily available during meetings or when travelling?
- Is there somewhere they can rest or take a quiet break if they need to? Hot flushes can be very uncomfortable, embarrassing and distressing, and some menopausal women get very tired. Mindfulness, meditation and other relaxation techniques may help to reduce stress levels.

- Is their desk or workstation set up properly to reduce aches and pains? This can be an especially important consideration when people are working from home.
- If their work involves long periods of sitting or standing, can they move around freely, or take regular breaks?
- Can they take time off for healthcare appointments or leave early if their symptoms flare up?
- Can they start and finish work later than usual if they have a bad night's sleep?
- If they are not working from home already, do they have the option to do so on a day when it would help them to manage symptoms?

Top Tips to Remember



Further Help and Information

NHS information

www.nhs.uk/conditions/menopause

www.nhs.uk/conditions/early-menopause

NICE guidelines on "Menopause: diagnosis and treatment"

www.nice.org.uk/guidance/ng23/ifp/chapter/About-this-information

Menopause Matters www.menopausematters.co.uk

Women's Health Concern www.womens-health-concern.org

The Menopause Exchange www.menopause-exchange.co.uk

Health Line "What to Know About Menopause When You're Trans or Non binary"

<https://www.healthline.com/health/menopause/ask-the-expert-menopause-in-trans-men-and-nonbinary-people#menopause-in-transmen>

NHS information: The Male Menopause www.nhs.uk/conditions/male-menopause/

CHECKLIST FOR MANAGERS

Employee:		Date of assessment:	
Line Manager:			

What are the hazards?	Considerations	Level of risk	What is already being done	What further action is necessary	Action by whom	Action by when	Date achieved
Information on menopause	<ul style="list-style-type: none"> Does the staff member have access to information on menopause, relevant policies on attendance management, flexible working? 						
Sickness reporting	<ul style="list-style-type: none"> Is there the facility, for those who are not able to attend work due to menopausal symptoms, to report these to a female manager or other point of contact? 						
Stress	<ul style="list-style-type: none"> Are the appropriate mechanisms in place to deal with issues such as stress? Does a stress risk assessment need to be completed? 						
Occupational health	<ul style="list-style-type: none"> Has the staff member been made aware of the facility to make an occupational health (OH) referral and support to remain in the workplace? Do they need a OH referral? 						
Support groups	<ul style="list-style-type: none"> Is the member of staff aware of support groups or champions in the workplace that may be able to help? 						

What are the hazards?	Considerations	Level of risk	What is already being done	What further action is necessary	Action by whom	Action by when	Date achieved
Environment/ duties	<ul style="list-style-type: none"> • Have workstation risk assessments been reviewed to take menopause into account? • Are there opportunities to switch to lighter or different duties if a risk assessment identifies this as required? • Are there flexible arrangements in place in relation to breaks? • Can start and finish times be adjusted? • Have work processes been assessed to see if any reasonable adjustments are needed? • Is the noise level suitable? • Is the worker experiencing any fatigue – mental or physical? • Is there sufficient and suitable workspace? • Is there somewhere a quiet break can be taken? 						
Workstations	<ul style="list-style-type: none"> • Are workstations/locations easily accessible to sanitary and rest facilities? • Is there workstation set up properly to reduce aches/pains? 						
Facilities	<ul style="list-style-type: none"> • Are there private changing and washing facilities available? • Is there access to sanitary products? 						

What are the hazards?	Considerations	Level of risk	What is already being done	What further action is necessary	Action by whom	Action by when	Date achieved
Temperature	<ul style="list-style-type: none"> • Is ventilation available and is it regularly maintained? • Is additional ventilation provided if necessary eg desk fan? 						
Working conditions	<ul style="list-style-type: none"> • Is there a suitable work pattern? • If not already working from home, is there the option to do so to help manage symptoms? • Is there overtime in the schedule? • Is there travel for work involved? • Can time be taken off for healthcare appointments? 						
Other hazards: please identify							



Mental Health Commitments and Action Plan

Please find below our Mental Health Action Plan. This plan utilises the 6 standards in the [Mental Health at Work Commitment](#) to map out what is already in place for our staff and identify and plan activity to effectively and proactively support employee mental health.

ID	Activity	Responsibility	Status
Prioritise mental health in the workplace by developing and delivering a systematic programme of activity. (Standard 1)			
1	Develop and deliver a mental health action plan.	H&S Committee	In Progress
2	Communicate the mental health action plan to staff.	H&S Committee	Pending
3	Ensure CLT ownership and accountability, with clear reporting structures	HR Manager/CLT	In Progress
4	Encourage feedback from employees and make improvements where required	HR Manager	Pending
Proactively ensure work design and organisational culture drive positive mental health outcomes. (Standard 2)			
5	Effectively reduce stress via Management of Stress Policy and associated Workplace Stress Risk Assessment.	HR Manager/ Line Managers	Complete
6	Sickness Absence Management Policy and Procedure and occupational sick pay	HR Manager	Complete
7	Provide all employees with good physical working conditions and environment including exposure to natural daylight, the ability to control the temperature, a range of breakout spaces including quiet rooms, plants and greenery, pictures and paintings.	HR Manager	Complete
8	Encourage healthy work/life balance. Encourage working sensible hours, taking a full lunch break, resting and recuperating after particularly busy periods and taking full annual leave entitlement.	Line Managers	In Progress
9	Offer flexible working.	HR Manager	Complete
10	Ensure the demands of each job is appropriate, that duties are clearly defined and there is adequate support (My PaTH).	Line Managers	Continuing
11	Encourage praise and recognition for achievements via My PaTH. Contribution Awards.	HR Manager/ Line Managers	Continuing
Promote an open culture around mental health (Standard 3)			
12	Consider signing up to The Mental Health at Work Commitment	H&S Committee	Pending
13	Engage with external campaigns to address mental health stigma, eg. Time to Talk Day (February), Mental Health Awareness Week (May), or World Mental Health Day (October)	HR Manager	Pending

ID	Activity	Responsibility	Status
14	Encourage open two-way conversations about mental health and the support available at all stages of employment?	H&S Committee/ HR Manager	Pending
15	Make wellbeing part of regular catch-ups, including using My PaTH as a platform for a “welfare check”. Get to know employees.	Line Managers	In Progress
16	Pre-employment checks during recruitment and selection provides the opportunity for new employees to disclose and declare any mental health matters to ensure appropriate support is in place from the start of their employment.	HR Manager	Complete
17	Ensure mental health and welfare is integrated into induction, i.e. tell new employee about PAM Assist and signpost to resources on SharePoint, signpost to HR Manager.	Line Managers	Pending
18	Seek feedback from staff on how easily accessible help resources are and how supportive they have been.	HR Manager	Pending
Increase organisational confidence and capability (Standard 4)			
19	Consider mental health training for all staff to increase knowledge including how to identify signs and symptoms of poor mental health and where to signpost for support.	H&S Committee	Pending
20	Commitment from CLT to addressing mental health in LVJB. Supporting mental health could be included in My PaTH objectives of senior staff.	CLT	Pending
21	Increase training and guidelines for line managers to effectively deal with mental health.	HR Manager	Pending
22	Upskill line managers on their communication style in relation to mental health.	HR Manager/ Line Managers	Pending
Provide mental health tools and support (Standard 5)			
23	Consider peer support groups.	H&S Committee	Pending
24	Health and Wellbeing sub site on SharePoint. Raise awareness of support available to employees.	HR Manager	In Progress
25	PAM Assist Employee Counselling	HR Manager	Complete
26	Occupational Health	HR Manager	Complete
27	Bank of Mental Health First Aiders	HR Manager/ Mental Health First Aiders	Complete
28	Reminders of tips to support good mental health.	HR Manager	In Progress
29	Signpost to external services and helplines.	HR Manager	In Progress
Increase transparency and accountability through internal and external reporting (Standard 6)			
30	Collect data to measure mental health, such as absence and disclosure rates.	HR Manager	Pending

ID	Activity	Responsibility	Status
31	Share anonymised absence data with CLT, highlighting areas for concern around mental health.	HR Manager	Pending
32	Publicise internally and externally our commitment to mental health. We shared on social media Mental Health First Aid Training etc. More of this.	HR Manager	Pending

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TO LET

**SECOND FLOOR
OFFICE
PREMISES**

Located in the South Gyle
Business Park

Competitive Quoting Rent of £15.00
per sq ft

Well established business hub

Open plan configuration

Premises extend to 754.79 sqm
(8,125sqft)

Up to 30 car parking space to the
rear

Flexible lease terms available



17A SOUTH GYLE CRESCENT, EDINBURGH, EH12 9EB

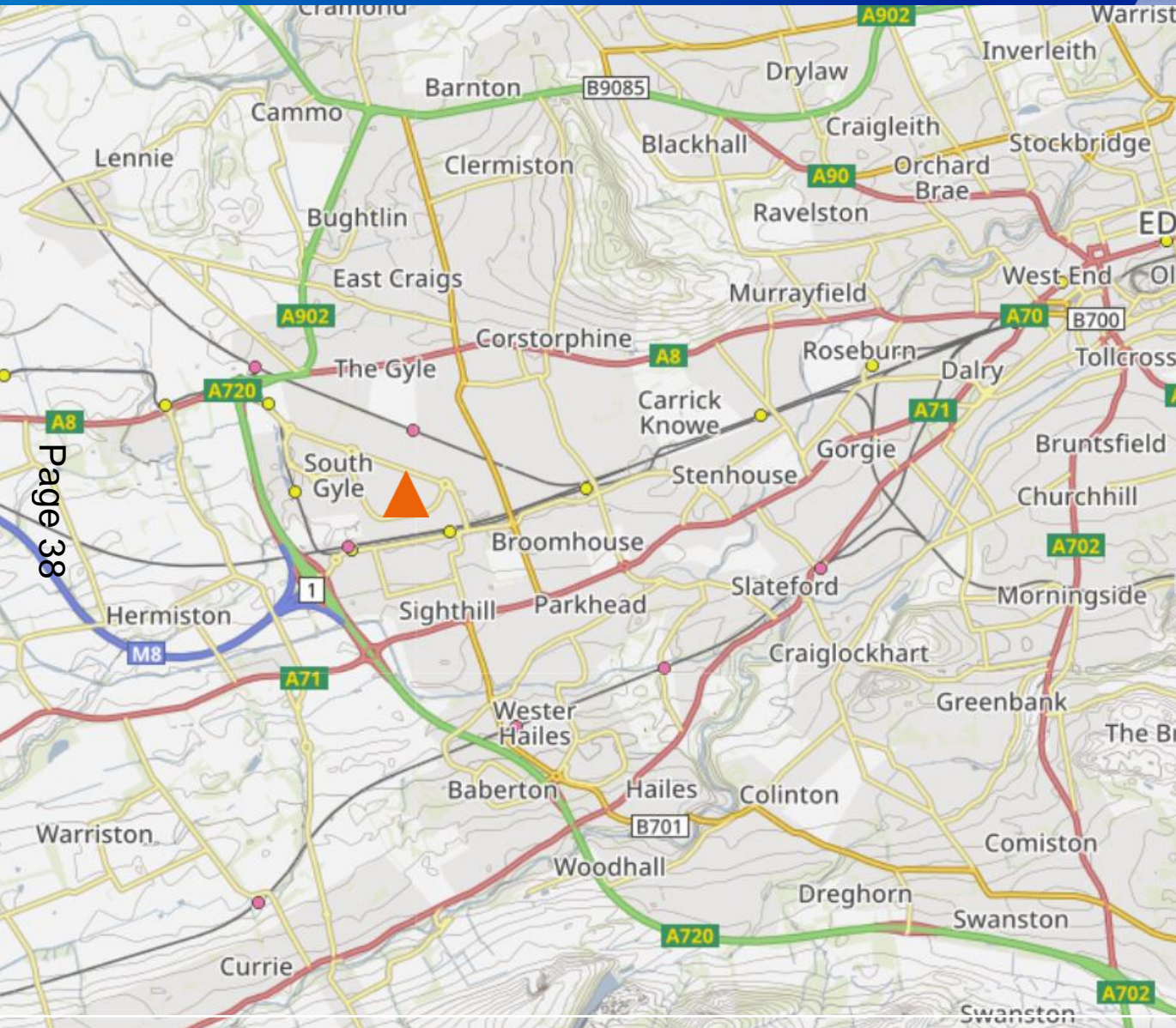
CONTACT: Emily Anderson emily.anderson@shepherd.co.uk | 0131 225 1234 | **shepherd.co.uk**
Hannah Barnett hannah.barnett@shepherd.co.uk | 0131 225 1234 | **shepherd.co.uk**





Location

17A SOUTH GYLE CRESCENT, EDINBURGH, EH12 9EB

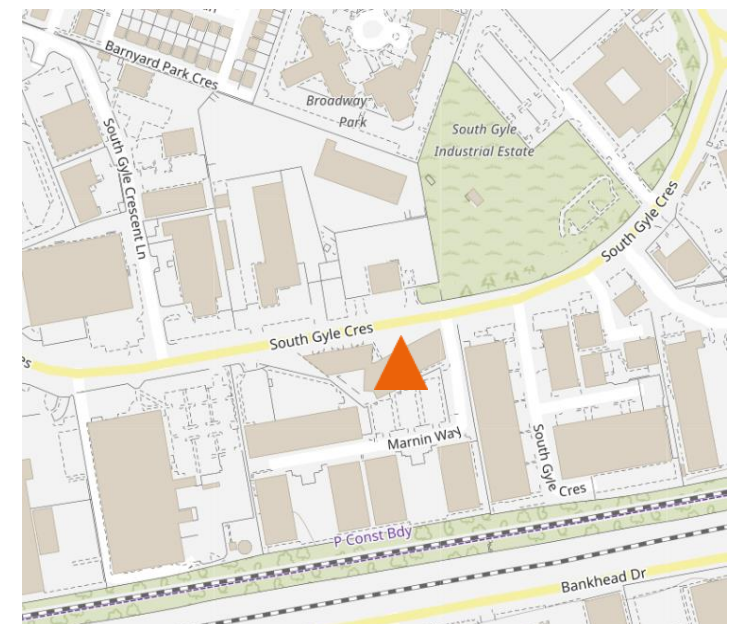


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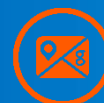
Location

The subjects are situated within the South Gyle Business Park, a well-known business location, approximately 6 miles west from Edinburgh city centre. The property is close to the A720 Edinburgh Bypass, providing efficient access to the M8 and across the central belt.

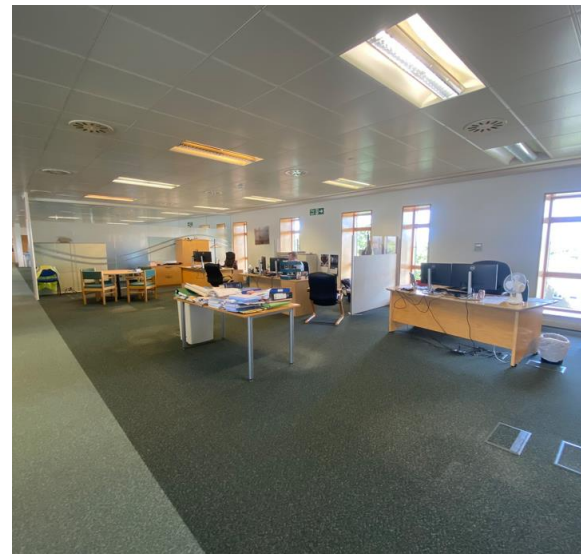
More specifically, the subjects are located on the south side of South Gyle Crescent, bounded by Marin Way to the east. The surrounding area benefits from primarily industrial & office premises, home to a mix of local and national occupiers such as Greggs, Jim McLeary Fitness Coaching, Virgin Media, Royal Mail Delivery Office, The Edinburgh Catering Company & Speedy Services.



Office premises within West Edinburgh



FIND ON GOOGLE MAPS



Description

The subjects comprise a detached, modern office building of steel portal frame construction, under a flat felt roof. There is timber cladding and extensive glazing to the front and concrete block cladding to the rear.

Internally, the accommodation comprises a bright open plan space with meeting rooms, storage cupboards, tea preparation & WC facilities. The configuration promotes a collaborative working environment, creating a welcoming, inclusive and comfortable space for all users.

Car Parking

There are up to 30 clear parking spaces available, providing secure car parking to the rear of the site.

Accommodation

Description	m ²	ft ²
Second Floor	754.79	8,125
TOTAL	754.79	8,125

The above floor areas have been calculated on a Net Internal Floor Area basis in accordance with the RICS Code of Measuring Practice (6th Edition).



Lease Terms

The subjects are offered on a full repairing and insuring basis for a term to be agreed incorporating regular rent reviews.

Flexible lease terms are available.

Rent

Competitive quoting rent of £15.00 per sqft.

Rateable Value

The subjects will require to be reassessed.

Energy Performance Certificate

An Energy Performance Certificate is available upon request.

VAT

Unless otherwise stated, all prices, premiums and rentals are quoted exclusive of VAT.

Legal Costs

Each party to bear their own legal costs in the documentation of this transaction; however the in-going tenant will be responsible for any LBTT, Registration Dues and any VAT incurred thereon.



Get in Touch

For further information or viewing arrangements please contact the sole agents:



Emily Anderson

Emily.anderson@shepherd.co.uk



Hannah Barnett

Hannah.barnett@shepherd.co.uk

Shepherd Chartered Surveyors

12 Atholl Crescent, Edinburgh, EH3 8HA

t: 0131 225 1234



ANTI MONEY LAUNDERING REGULATIONS

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on the 26th June 2017. This now requires us to conduct due diligence not only on our client but also on any purchasers or occupiers. Once an offer has been accepted, the prospective purchaser(s)/occupier(s) will need to provide, as a minimum, proof of identity and residence and proof of funds for the purchase, before the transaction can proceed.

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10.00am, Monday 16th September 2024

2023/24 Proposed Annual Audit Report to members of Lothian Valuation Joint Board and the Controller of Audit

1. Recommendations

The Board is recommended to note:

- 1.1 the Proposed Annual Audit Report to members of Lothian Valuation Joint Board and the Controller of Audit, including the Action Plan and management responses.

Richard Lloyd-Bithell,

Treasurer

Contact: Iain Shaw, Principal Accountant,

Finance and Procurement Division, Corporate Services Directorate, City of Edinburgh Council

E-mail: iain.shaw@edinburgh.gov.uk | Tel: 0131 469 3117

2023/24 Proposed Annual Audit Report to members of Lothian Valuation Joint Board and the Controller of Audit

2. Executive Summary

- 2.1 The Proposed Annual Audit Report summarises the findings arising from the Board's 2023/24 external audit.

3. Background

- 3.1 The unaudited Annual Accounts were noted by the Board at its meeting on 24th June 2024 and submitted to Audit Scotland, the appointed external auditor, by the required date of 30th June 2024.

4. Main Report

Proposed External Audit Annual Report 2023/24

- 4.1 The Audited Annual Accounts are presented in accordance with the Local Authority Accounts (Scotland) Regulations 2014. The Regulations require local authorities to aim to approve the annual accounts for signature no later than 30 September 2024.
- 4.2 In discharging its work, the external auditor is required to comply with the Code of Audit Practice.
- 4.3 An Unmodified opinion has been given on the financial statements and other prescribed matters. The Auditor's opinion states that:
- 4.3.1 the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework and that
 - 4.3.2 the audited part of the remuneration report, management commentary and the annual governance statement were properly prepared in accordance with the applicable requirements.
- 4.4 The key messages from the audit are presented on page 3 of the External Audit Annual Report. Appendix 1 presents the Action Plan arising from the audit.

5. Background reading/external references

None

6. Appendices

- 6.1 Appendix 1 – Lothian Valuation Joint Board - Proposed 2023/24 Annual Audit Report

Lothian Valuation Joint Board

Proposed 2023/24 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the Lothian Valuation Joint Board and the Controller of Audit
September 2024

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Key messages

Our audit of the 2023/24 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

Wider scope considerations

- 3 The joint board has a medium-term financial plan, but faces significant financial constraints in future years.
- 4 There are appropriate arrangements in place for securing Best Value, with opportunities for improvement

Introduction

1. This report summarises the findings from the 2023/24 annual audit of Lothian Valuation Joint Board. The scope of the audit was set out in an Annual Audit Plan presented to the 15 April 2024 meeting of the Joint Board. This Annual Audit Report comprises:

- significant matters arising from an audit of Lothian Valuation Joint Board's 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 Lothian 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.

Responsibilities and reporting

3. Lothian Valuation 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. Lothian Valuation Joint Board is also responsible for compliance with legislation putting arrangements in place for governance and propriety.

4. The responsibilities of the independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice and supplementary guidance and International Standards on Auditing in the UK.

5. 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 raised and to maintain adequate systems of control.

6. This report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation.

Auditor Independence

7. 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 audit fee of £9,330 as set out in our 2023/24 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

Part 1. Audit of 2023/24 annual accounts

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

Main judgements

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 properly prepared in accordance with the applicable requirements

Audit opinions on the annual accounts are unmodified

8. The joint board approved the annual accounts for Lothian Valuation Joint Board for the year ended 31 March 2024 on **16 September 2024**. As we report in the independent auditor's report:

- 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 was prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014
- the management commentary and annual governance statement were 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 £0.106 million

9. 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.

10. Our initial assessment of materiality was carried out during the risk assessment 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	£0.106 million
Performance materiality	£0.069 million
Reporting threshold	£5,000

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

12. 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 65% of overall materiality, based on our understanding of the joint board, the nature and extent of misstatements identified in the prior year, combined with our expectations in relation to misstatements in the current period.

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

Significant findings and key audit matters

14. Under ISA (UK) 260, we communicate significant findings from the audit to the board, including our view about the qualitative aspects of Lothian Valuation Joint Board's accounting practices.

15. The Code of Audit Practice also requires all audits to highlight key audit matters, which are defined in ISA (UK) 701 as those matters judged to be of most significance.

16. The significant findings, including key audit matters, are summarised in [Exhibit 2](#).

Exhibit 2

Significant findings and key audit matters from the audit of the annual accounts

Issue	Resolution
<p>1. Reduction in pension asset</p> <p>In common with other local government pension scheme employers, the joint board commissions a firm of actuaries to provide disclosures for IAS 19 pensions accounting. The actuary reported that, as at 31 March 2024, the joint board had a funding surplus of £20.454 million. This was reported in the draft annual accounts as £22.809m due to the use of a schedule which was produced by the actuary earlier in the process.</p> <p>Accounting standards impose a limit on the maximum amount of surplus which can be recognised on an employer's balance sheet. Given that the joint board is to continue to participate in the LGPS, it would be expected that this surplus will lead to lower future contributions rather than a refund of surplus. When this minimum funding obligation is considered, the funding surplus was reduced to zero.</p>	<p>The annual report and accounts presented for audit disclosed a pension asset of £22.809 million. This was adjusted to disclose only the unfunded liability of £1.275 million, with a corresponding adjustment to the pension reserve, for the final version in line with the requirements of accounting standards.</p>
<p>2. Other findings in relation to IAS 19 accounting</p> <p>Our audit resulted in a number of other findings relating to pensions disclosures:</p> <ul style="list-style-type: none"> The IAS 19 pensions disclosures in the unaudited accounts were produced from an earlier report produced by the actuary, when a more recent report was available. Provisions for discretionary enhancements to retirement benefits (e.g. payments for early retirement) are referred to as unfunded liabilities, as they are paid by the body rather than the pension fund. The unfunded liability of £1.275 million was not presented separately from the net defined benefit asset at 31 March 2024. A prior year restatement was also required. Unfunded liabilities were also included in interest on asset ceiling calculations, when they should have been excluded. 	<ul style="list-style-type: none"> The disclosures in the audited accounts reflect the most recent report provided by the actuary. The balance sheet presents the unfunded pensions obligations separately (£1.275 million), and the equivalent prior year figure is also included. The interest on the effect of the asset ceiling (£1.083 million) increased by £0.061 million to £1.144 million.

We identified other non-material misstatements within the financial statements

17. Other than the corrected material misstatement detailed as a significant finding in [Exhibit 2](#), the audit identified the following misstatements above the reporting threshold:

- We identified errors in the calculation of the liability for accumulated absences which decreased this liability by £0.011 million.
- Our review of the fixed asset register identified two intangible assets which should have been classed as tangible assets. This has resulted in a movement of £0.021 million from intangible assets to property, plant and equipment. We also identified differences to the gross carrying amounts and accumulated depreciation of £0.025 million in each of these categories, which had no effect on the net carrying amount.

18. Management has adjusted all identified misstatements above our reporting threshold and there are no unadjusted errors to report.

Audit work responded to the risks of material misstatement identified in the annual accounts

19. We have obtained audit assurances over the identified significant risks of material misstatement to the annual accounts. [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements identified in the 2023/24 Annual Audit Plan. It also summarises the further audit procedures performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 3

Significant findings and key audit matters from the audit of the annual accounts

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in ISA (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.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<p>No issues were identified that indicate misstatements due to fraud caused by management override of controls. Testing focused on journal entries around the year-end that are open to management override of controls.</p> <p>Audit testing of income and expenditure transactions confirmed they had been accounted for in the correct financial year.</p> <p>Methodologies and assumptions employed by management in preparing account estimates did not</p>

significantly vary from the prior year and were consistently applied.

Our testing of accruals and prepayments did not identify any errors and we found no significant transactions outside the normal course of business.

20. The unaudited annual accounts were received in line with the agreed audit timetable on 24 June 2024.

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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 plan, but faces significant financial constraints in future years

There are appropriate arrangements in place for securing Best Value, with opportunities for improvement

The joint board has reported a small underspend against its 2023/24 budget, with a drawdown from reserves of £0.511 million

21. The Joint Board is mainly funded by requisitions from its constituent members, the City of Edinburgh, West Lothian, East Lothian and Midlothian councils.

22. The body approved its 2023/24 revenue budget in January 2023. This was set with an unchanged council requisition of £5.847 million for 2023/24 and a further requisition to meet additional costs for Non-Domestic Rates (NDR) reform in 2023/24 of £0.374m in line with the local government finance settlement. The planned budget included assumptions of a 3% pay award and maintaining a minimum approved reserve level at £0.18 million and required a drawdown from reserves of £0.580 million in-year.

23. In its annual accounts, the joint board has reported net expenditure in-year of £6.674 million against a budget of £6.743 million (an underspend of £0.069 million), and a drawdown from the joint board's general reserves of £0.511 million was required. This drawdown was £0.069 million less than expected due to the costs to implement NDR reform being less than forecast.

24. The joint board has a general reserve of £0.783 million at the start of 2024/25, however of this £0.430 million is earmarked for NDR reform, and a further £0.200 million is retained to keep a minimum level of reserves. The budget for 2024/25 requires a drawdown of a further £0.140 million.

The joint board has a medium-term financial plan and has requested councils increase their funding contribution

25. The joint board approved its 2024/25 budget in February 2024, identifying a total of £6.273 million for core activities and £0.426 million for NDR reform. Funding from constituent councils has remained at the same level for several years and the budget included a request to increase of the core council requisition by £0.426 million (7.3%) to £6.273 million. This was in specific

response to address a projected shortfall and is the first time since 2009 in which the joint board has requested an increase.

26. Lothian VJB has a medium-term indicative financial plan which is revised annually and was last presented to the board in February 2024. It includes a summary of the current year budget, financial planning assumptions, an indicative budget until 2026/27 and an analysis of financial risks. Financial planning assumptions include:

- Continual improvement programme savings of £0.292 million following release of employees and removal of one senior post
- Other employee cost reductions of £0.079 million
- Anticipated lower employer contribution rates following an actuarial review

27. The key financial risks facing the joint board in future years include an increase in future pay awards, energy costs, the costs of NDR reform and of unexpected election costs.

28. The proposed core budget for 2024/25 and indicative financial plan 2025/26 to 2026/27 identifies a funding shortfall of £0.525m for 2024/25, before drawdown of reserves of £0.099 million. Based on a continuation of 'flat cash' funding and annual pay awards of 3%, the shortfall was forecast to increase to £0.854m. For 2024/25 officers have indicated the most recent forecast is a shortfall to increase to £0.428m cumulatively by 2026/27.

29. In 2022/23, in order to generate cost and operational efficiencies, the joint board agreed to adopt a continuous improvement programme. As much of the joint board's expenditure is staff costs, the project has assessed its organisational structure and is aiming to introduce a more agile and flexible workforce. The board projects that voluntary retirements will realise an overall ongoing annual saving of £292,000.

The joint board has appropriate arrangements in place for securing Best Value, with opportunities for improvement

30. The joint board has a specific responsibility to ensure that arrangements have been made to secure best value. It has developed performance indicators which are reported in the annual accounts and updates are provided by the assessor before the joint board at meetings.

31. In the prior year we recommended that the joint board could enhance reporting of its performance by presenting key performance indicators in a consistent, accessible format to allow public and members to assess trends and compare indicators over time. While good levels of information continue to be included in the management commentary in relation to key performance indicators, there remains an opportunity to improve how this information is presented.

32. The joint board maintains a corporate risk register, project risk register and service risk register, which is a key part of the organisation's system of governance. However, we noted that risk registers are not specifically reviewed at board level. In our view, risk registers should be scrutinised by those charged

with governance at appropriate intervals to allow for overview and focused challenge.

33. We also identified that not all registers of interests for board members were kept up to date. It is important that all registers of interest are refreshed annually to ensure transparency, and so that all related parties can be identified.

Recommendation 1

Those charged with governance should review the joint board's risk registers with sufficient regularity to allow appropriate scrutiny and challenge

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Appendix 1. Action plan 2023/24

2023/24 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Review of risk registers</p> <p>Risk registers are not specifically reviewed by those charged with governance at board level. There is a risk they do not adequately address the risks facing the organisation.</p>	<p>Those charged with governance should review the joint board's risk registers with sufficient regularity to allow appropriate scrutiny and challenge.</p> <p>Paragraph 32.</p>	<p>Accepted</p> <p>A full review of our risk registers will take place at our next Governance Strategy Group meeting. At the session we will discuss the best method of reporting and monitoring risk at Board level.</p> <p>Responsible officers: Assessor & ERO/Head of Governance</p> <p>Date: 21st October 2024</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation and agreed action	Update
<p>4. Presentation of key performance information</p> <p>The joint board has a specific responsibility to ensure that arrangements have been made to secure best value. Key performance indicators should be published in a way which can allow trends in performance to be assessed.</p>	<p>The joint board could enhance reporting of its performance by presenting key performance indicators in a consistent, accessible format to allow public and members to assess trends and compare indicators over time.</p> <p>(April 2024)</p>	<p>Accepted</p> <p>Presentation of Key Performance Indicators in the Annual Accounts 2023/24 Management Commentary has been amended.</p> <p>Responsible officer: Assessor and ERO/Treasurer</p> <p>Revised date: 31 August 2024</p>

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Lothian Valuation Joint Board

Proposed 2023/24 Annual Audit Report

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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www.audit-scotland.gov.uk

10.00am, Monday 16th September 2024

Audited Annual Accounts for the Year Ended 31st March 2024

1. Recommendations

The Board is recommended to:

- 1.1 note the Audited Annual Accounts for the year ended 31st March 2024.
- 1.2 authorise the Annual Accounts 2023/24 for signature.

Richard Lloyd-Bithell,

Treasurer

Contact: Iain Shaw, Principal Accountant,

Finance and Procurement Division, Corporate Services Directorate, City of Edinburgh
Council

E-mail: iain.shaw@edinburgh.gov.uk | Tel: 0131 469 3117

Audited Annual Accounts for the Year Ended 31st March 2024

2. Executive Summary

- 2.1 This report presents the audited Annual Accounts for the year ended 31st March 2024 and recommends approval for signature.

3. Background

- 3.1 The Audited Annual Accounts are presented in accordance with the Local Authority Accounts (Scotland) Regulations 2014.
- 3.2 The Local Authority Accounts (Scotland) Regulations 2014 require local authorities to aim to approve the annual accounts for signature no later than 30 September 2024.

4. Main Report

- 4.1 The unaudited Annual Accounts were noted by the Lothian Valuation Joint Board at its meeting on 24th June 2024.
- 4.2 The External Auditor's report is presented separately on this agenda.
- 4.3 The Auditor's report provides an opinion on whether 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 properly prepared in accordance with the applicable requirements.
- 4.4 The Audit opinions on the annual accounts are unmodified. The audit certificate is on pages 46 to 48 of the accounts.
- 4.5 The annual report and accounts presented for audit disclosed a pension asset of £22.809 million. This was adjusted to disclose only the unfunded liability of £1.275 million, with a corresponding adjustment to the pension reserve, following receipt of additional accounting guidance in July 2024 and receipt of a revised actuarial report reflecting fund performance to 31st March 2024.
- 4.6 A prior year restatement was made for the unfunded pension liability in line with accounting guidance.

Reserves

- 4.7 The Board has approved a general reserve with a minimum value of 3% of annual requisition (£0.200m). The Board's audited general reserve balance at 1st April 2024 is £0.783m.
- 4.7.1 £0.430m is earmarked for future costs of NDR Reform;
- 4.7.2 the non-earmarked reserve balance is £0.353m. This balance includes the minimum reserve balance of £0.200m noted above.
- 4.8 Reserve balances will be reviewed when the Board is presented for approval a revenue budget for 2025/26, on 3rd February 2025.

5. Background reading/external references

None

6. Appendices

- 6.1 Appendix 1 - Audited Annual Accounts for the Year Ended 31st March 2024



LOTHIAN VALUATION JOINT BOARD

ELECTORAL REGISTRATION, VALUATION & COUNCIL TAX WITHIN LOTHIAN

Annual Accounts for the year to 31st March 2024

COUNCIL TAX

ELECTORAL REGISTRATION

VALUATION

Lothian Valuation Joint Board

17A South Gyle Crescent

EDINBURGH

EH12 9FL

Visit our website at : www.lothian-vjb.gov.uk

LOTHIAN VALUATION JOINT BOARD

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LOTHIAN VALUATION JOINT BOARD

MANAGEMENT COMMENTARY

Strategic Report

1. Basis of the Accounts

The Annual Accounts present the financial position and performance of the Board, for the year to 31st March 2024. The Annual Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This is to ensure that the Annual Accounts "present a true and fair view" of the financial position and transactions of the Board. The Annual Accounts have been prepared in accordance with the following fundamental accounting principles: relevance, reliability, comparability, understandability and materiality.

The accounting concepts of accruals, going-concern, and primacy of legislation requirements also apply. All figures in the Annual Accounts are rounded to thousand pounds (£'000) unless stated otherwise.

To show the net position of the Board, adjustments are made to the Comprehensive Income and Expenditure Statement (CIES) to reflect differences in the accounting basis and funding basis under regulations. These adjustments ensure that the actual resources available to the Board are correctly accounted for in the Movement in Reserves Statement. These adjustments are shown in Note 7.

2. Statutory Background

The Lothian Valuation Joint Board was established under the Valuation Joint Boards (Scotland) Order 1995 and provides Valuation Appeals, Lands Valuation, Electoral Registration and Council Tax Valuation services. The Board comprises 16 members appointed from the constituency authorities of whom nine are elected from the City of Edinburgh Council, three from West Lothian and two each from East Lothian and Midlothian Councils.

Costs incurred by the Lothian Valuation Joint Board are apportioned in accordance with the non-domestic rateable subjects and dwellings valued for council tax within the area of each constituent authority. Expenditure is allocated 61.24% to The City of Edinburgh Council, 9.12% to Midlothian Council, 11.03% to East Lothian Council, and 18.61% to West Lothian Council.

3. The Lothian Valuation Joint Board's strategy and business model

The Lothian Valuation Joint Board is a local authority organisation providing a range of services to and on behalf of City of Edinburgh, West Lothian, Midlothian, and East Lothian Councils. The services provided represent duties embedded in statute and associated case law. Specifically, they relate to the creation and maintenance of the Valuation Roll, Council Tax List and Electoral Register. The Board's strategy is to ensure best value while providing equitable, customer focused, high quality, professional valuation and electoral registration services for all its stakeholders. To support this aim, an annual Corporate and Service Plan, embedded within a Governance Framework, is created to indicate the detailed range of activities and objectives necessary to deliver services. These plans are supported, where required, with detailed project governance and management, specific service delivery timetables and associated risk analysis.

4. Principal risks and uncertainties facing the Board.

The principal risks and uncertainties faced by the Board fall into three categories. Firstly, in common with the wider local authority community, there are uncertainties created by the ongoing environment of fiscal constraint within which services must be delivered. Set against this, the Board has a range of statutory duties to enact and services to deliver. Failure to secure sustainable adequate funding places the delivery of these statutory services at considerable risk. 2024/25 has seen the requirement for the first increase in budget requisition since 2009. The Continual Improvement Programme (CIP) provides identification and oversight of any potential performance or budget efficiency opportunities. Organisational and procedural change to adapt to the reduction of staffing resource continues. Robust project management and governance enables appropriate adjustments to be considered and implemented as necessary.

The second category relates to changes in legislation that impact on the services to be delivered. This can create pressures from both a financial and organisational perspective. The Barclay Review of NDR has, in the main, been adopted by Scottish Government in the form of a national NDR Reform strategy. This has introduced the biggest changes to NDR services that have been enacted for many years. There are significant changes directly associated with the Valuation Roll function. These involve shortening the current 5-year revaluation cycle to a 3-year cycle and introducing significant alterations to the legislation which supports the Valuation Roll appeal process. Internal organisational timetables and proposed system developments have been reviewed to support the effective delivery of the NDR Reform agenda, taking account of the new timetable. Work on delivering a new system to deal with non-domestic proposals is well underway. In terms of Council Tax, the system faces regular calls for reform and it is likely that further consultative processes shall emerge in the coming years concerning changes to the system. This uncertainty moving forward is a risk to the Board.

The third category of risk at 31st March 2024 was the General Election on 4th July, coupled with divergence in absent voting arrangements between Scotland and the rest of the UK. Careful planning is required to ensure resources are used efficiently to cope with the demands of the new electoral changes. Risk Registers reflects these new electoral burdens.

5. Review of the Lothian Valuation Joint Board performance 2023/24

5.1 Financial Performance

The Board reported expenditure of £6.674m for 2023/24. This required a net drawdown of £0.511m from the Board's reserves, which was £0.069m less than the budgeted drawdown, due to costs to implement NDR Reform being less than forecast. The Board incurred additional unbudgeted employee expenditure of £0.186m due to the cost of the 2023/24 Local Government pay award, beyond the budgeted provision of £0.142m for a 3% pay award. The Board retains a General reserve of £0.784m. Of this, £0.200m is retained to meet the Board's commitment to a minimum level of Reserve of 3%. £0.431m is retained to meet future costs of NDR Reform. The revenue budget for 2024/25 requires drawdown of a further £0.140m from the Board's General reserve.

LOTHIAN VALUATION JOINT BOARD

MANAGEMENT COMMENTARY

5. Review of the Lothian Valuation Joint Board performance 2023/24 (Contd.)

5.1 Financial Performance (Contd.)

The review of financial performance is based on management accounting information, rather than the Annual Accounts, which are stated after adjustments to reflect IFRS based Code of Practice.

The outturn position is summarised below:

	Core Expenditure, Individual Electoral Registration (IER)			NDR Reform			Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
• Employees	4,930	5,054	124	312	190	(122)	5,242	5,243	1
• Property	617	532	(85)	0	0	0	617	532	(85)
• Transport and Plant	51	48	(3)	0	0	0	51	48	(3)
• Supplies and Services	776	827	51	64	64	0	840	891	51
• Third Party Payments	82	92	10	0	0	0	82	92	10
• Support services	67	67	0	0	0	0	67	67	0
Total gross expenditure	6,523	6,619	97	376	254	(122)	6,899	6,873	(26)
• Government Grants	(89)	(89)	0	0	0	0	(89)	(89)	0
• Sales, fees & charges	(44)	(34)	10	0	0	0	(44)	(34)	10
• Interest Received	(23)	(76)	(53)	0	0	0	(23)	(76)	(53)
Total income	(156)	(199)	(43)	0	0	0	(156)	(199)	(43)
Net Expenditure	6,367	6,420	53	376	254	(122)	6,743	6,674	(69)
• Council Requisition	(5,789)	(5,789)	(0)	(374)	(374)	0	(6,163)	(6,163)	0
Reserve Drawdown/ Contribution (-ve)	578	631	53	2	(120)	(122)	580	511	(69)

The principal reasons for budget variances are noted below:

	£'000
<ul style="list-style-type: none"> • Employees <ul style="list-style-type: none"> - Local Government pay award 2023/24 - cost in excess of budget provision of 3% - posts removed from structure - Continual Improvement Programme - Employee Early Release costs to realise future savings of £0.288m per annum - NDR Reform employee costs less than forecast - other employee costs due to vacancies 	186 (219) 443 (122) <u>(287)</u>
<ul style="list-style-type: none"> • Property <ul style="list-style-type: none"> - Utility costs - one-off benefit from over-estimate of previous years costs - Rates - expenditure less than forecast - Cleaning costs less than forecast 	(51) (21) <u>(13)</u>
<ul style="list-style-type: none"> • Transport - minor underspends in travel expenditure 	(3)
<ul style="list-style-type: none"> • Supplies and Services The variance includes additional postage and printing costs for the canvass process and costs to support delivery of the requirements of the Elections Act 2022, which was funded by Government grant. 	51
<ul style="list-style-type: none"> • Third Party Payments The variance is for costs of externally contracted facility management services for the Board's office accommodation. 	10
<ul style="list-style-type: none"> • Income The variance includes additional interest of £53,000 earned on the Board's revenue balances, due to increased interest rates experienced during 2023-24. This over-recovery offset under-recovery of £10,000 against the budget for statutory charges. 	(43)
<ul style="list-style-type: none"> • Reserve Drawdown The 2023/24 budget required a drawdown of £0.580m from the Board's unallocated Reserve. Although the cost of the 2023/24 Local Government pay award was in excess of the budget provision for an award of 3%, vacancy management and a reduction in the cost of delivering NDR Reform has reduced the drawdown required to £0.511m - a reduction of £69,000. 	69
Total net expenditure	(0)

In accordance with paragraph 8 of the Valuation Joint Boards (Scotland) Order 1995, all under spending of the Board is retained in the form of a usable reserve. The usable reserve balance at 31st March 2024 is £0.783m.

LOTHIAN VALUATION JOINT BOARD

MANAGEMENT COMMENTARY

5. Review of the Lothian Valuation Joint Board performance 2023/24 (Contd.)

5.2 Overview of performance targets in 2023/24

During 2023/24, the residual impact of the COVID-19 pandemic and the significant resources allocated to the preparation for the 2023 Revaluation with a one year tone date, continues to influence the Board's performance, as defined by Key Performance Indicators.

Key Performance Indicators	2023/24	2022/23	2021/22
Council Tax List - insertions within three months of occupation	75.09%	86.26%	87.51%
Valuation Roll - amendments within three months of completion	45.65%	35.47%	55.94%

During 2023/24, 5,805 dwellings were inserted onto the Council Tax list while 2,712 amendments were made to the Valuation Roll.

Council Tax performance was affected by the re-allocation to a different work group of two key members of staff, who were previously allocated solely to deal with appeals and proposals. This followed the appeals process being transferred to the new Local Taxation Tribunal Chamber and being cited on a far more regular basis. Changes to legislation from 1st April 2022 now require an annual audit of Self Catering subjects to ensure that they still qualify as exempted dwellings. The first of those audits took place in 2023/24 and the re-entering of Self Catering Units back onto the list from 1st April 2023 also contributed to the lower performance figure compared to the previous year.

Valuation Roll performance was an improvement from 2022/23, but still below the targeted figure of 60%. Again, this will have been severely affected by around 550 changes made to the roll following the Self Catering audit exercise. When those unavoidable late changes caused by the lengthy audit process are excised out of the total, the performance figure rises to a far more encouraging 57%.

Following the 2017 Revaluation 13,000 appeals were lodged against rateable values appearing in the new Roll. As of 2nd May 2024, there remain only 68 Revaluation 2017 appeals outstanding, and these are currently sitting with the Local Taxation Upper Tier Tribunal. There are 5,973 running roll appeals for the 2017 Valuation Roll still outstanding with around 5,500 of these being Material Change of Circumstances appeals lodged in respect of Covid. All running roll appeals have a disposal date of 31st December 2024, but the Covid appeals are expected to be withdrawn.

The Electoral Register was maintained throughout 2023. A new register was published on December 2023 with 58,888 electors added and 58,889 deleted.

Key Performance Indicators	2023	2022	2021
Household canvass return rate	87.45%	88%	87.43%
	May 2024	May 2023	May 2022
Electoral Roll - persons (including attainers)	718,054	711,066	708,315

6. The main trends and factors likely to affect the future development and performance

The main trends and factors likely to affect the development and performance of the Board are those that influence the future direction of service provision. This direction is driven by legislative changes enacted, new case law and formal reviews. This creates uncertainty and is amplified when placed within the current environment of fiscal constraint that all local authority bodies are facing. Changes to the Electoral Registration process, the NDR Reform agenda and the possibility of further review of Council Tax alternatives are all examples of organisational and service delivery challenges. The Continual Improvement Programme (CIP) continued through 2023/24 with further key operational objectives being successfully delivered. Additional structural change was implemented in the Administration area to help prepare for a forthcoming general election.

A longer-term financial strategy is currently being formulated to focus on a term of stability that will enable the Board to focus on additional transformation initiatives and cultural change. Fiscal savings and the drive for modernisation must be set against the requirement for the Board to deliver statutory duties and services to a high standard and to be properly positioned to undertake any further legislative changes that shape and form future services. Any fiscal savings must be considered with other inescapable financial costs, including unavoidable employee annual pay rises with their associated costs. In general, the picture is still one of competing priorities - fiscal constraint and the need for savings. This is underpinned by the Continual Improvement Programme and a strategy aimed at supporting a shifting legislative landscape within which services are delivered and operational efficiency is maintained.

The transfer of the Valuation Appeal Committee (VAC) to the Scottish Court and Tribunal Service (SCTS) took place on 1st April 2023. All relevant proposals and appeals data for all council tax and non-domestic proposals and appeals have been provided to the SCTS to allow them to start the citation process.

The Board received around 3,500 proposals as a result of the 2023 Revaluation and are currently working through a national programme of determination of these in conjunction with the Scottish Assessors Association timetable. Whilst this accounts for certain subject categories with national Practice Notes, there is a separate timetable planned for those which can be determined at a local level. The move to the new legislation and procedures around dealing with 2023 Revaluation proposals, and the experience of dealing with the first category of subjects with Proposal Determination Dates, has demonstrated that this is a resource intensive exercise which requires careful planning and co-ordination.

The Board is also working through the remaining Revaluation 2017 appeals which have a statutory disposal date of 31st December 2024. Almost all of these appeals transferred over to the Scottish Courts and Tribunal Service Local Taxation chamber last year and the First Tier Tribunal have been citing these appeals for hearing on a regular basis. Of the remaining 6,000, all but 620 are Covid related.

The Board has also been heavily involved in Council Tax appeals which have proceeded to Hearing, having been cited by the First Tier Tribunal. Again, this has accounted for a significant staff resource with several hearing dates having taken place within each month since September 2023 and often multiple cases proceeding on each particular hearing date.

LOTHIAN VALUATION JOINT BOARD

MANAGEMENT COMMENTARY

6. The main trends and factors likely to affect the future development and performance (Contd.)

In respect of the Council Tax function, considerable uncertainty remains surrounding its ongoing viability as a taxation system, without major overhaul. Until further consultation on possible changes or alternative approaches takes place, the future of Council Tax and the implications that arise remain a risk to the Board. It is beyond question that the Board continues to face the most significant period of transformation that the Valuation service has ever experienced, both from an internal organisation and external legislation perspective.

Following the Elections Act 2022, changes were made to postal voting for UK Parliamentary elections. Previously, electors could apply to vote by post for a period up to five years, which could be renewed for another five years by providing an updated signature. These applications were made on paper and could be made for all elections, allowing the elector to apply using a single form for both devolved and reserved elections.

Postal votes for UK Parliamentary elections must now be made via the government portal and require the elector to provide their National Insurance number for identity verification and a digital signature. If the elector is unable to provide a National Insurance number, the ERO requires that the elector provide further proof of identity to validate their application. These postal votes now last for three years instead of five and require the elector to complete a whole new application every three years, rather than simply providing a fresh signature. Although applications can still be made on paper, the ERO would be required to input this application to the government portal, resulting in an additional burden on staff resource.

As the Scottish government have not adopted these measures, they do not apply to local government or Scottish Parliamentary elections. This means that electors cannot apply for a devolved postal vote via the government portal and means that whilst electors need to reapply every three years for a reserved postal vote, they only need to refresh their signature every five years for their devolved postal votes. In the past, postal votes were governed by the same legislation and so could be treated as a single postal vote for all elections. This is now no longer the case.

This represents a considerable burden to the ERO workload, due to the potential for voter confusion. Work has been undertaken to ensure that ERO communications make clear at which elections electors have an absent vote and give clear instructions on how to apply for a postal or proxy vote if they do not have one. Considerable training has already been given to core staff to ensure that coherent and clear messaging can be given to electors who contact the office. There has also been training undertaken for all electoral staff to deal with the new way of processing applications and the volume of these applications.

The UK Parliamentary election also presents a risk for the organisation. A great deal of planning and training has gone into and continues to go into mitigating this risk insofar as possible.

The Governance Strategy Group (GSG) continues to provide important insight into the Board's challenges, service delivery requirements and vision, to members.

Cyber security is a constant issue to be faced. Through insurance, annual certification and penetration tests, staff awareness training and close collaboration with Government organisations such as the National Cyber Security Centre (NCSC), the Board mitigates the exposure to cyber risk as much as possible.

Assessor and Electoral Registration Officer: _____ **Date:** _____
Michael Wilkie

Treasurer: _____ **Date:** _____
Richard Lloyd-Bithell, CPFA

Convener: _____ **Date:** _____
Tom Conn

LOTHIAN VALUATION JOINT BOARD

STATEMENT OF RESPONSIBILITIES 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 secure that the proper officer of the Board has the responsibility for the administration of those affairs. In this Board, that officer is the Treasurer;
- to manage its affairs to secure economic, efficient and effective use of those resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as 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 Lothian Valuation Joint Board at its meeting on the 16th September 2024.

Convener:

Tom Conn

Date:

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the Code of Practice, except where stated in the Policies and Notes to the Financial Statements.

The Treasurer has also:

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

The Annual Accounts

The Annual Accounts present a true and fair view of the financial position of the Board as at 31st March 2024, and its income and expenditure for the year ended 31st March 2024.

Treasurer:

Richard Lloyd-Bithell, CPFA

Date:

LOTHIAN VALUATION JOINT BOARD

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on different reserves held by the Board, analysed into Usable Reserves (that is, those that can be applied to fund expenditure) and Unusable Reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Board's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance before any discretionary transfers to or from other statutory reserves undertaken by the Board.

2022/23 - Previous Year Comparative	Usable Reserves	Unusable Reserves	Total Board
	General Fund Balance	(Restated)	Reserves
	£'000	£'000	£'000
Opening Balances at 1 April 2022	(1,450)	(1,592)	(3,042)
Movement in reserves during 2022/23			
(Surplus) or deficit on provision of services	974	0	974
Other Comprehensive Expenditure and Income	0	1,975 *	1,975
Total Comprehensive Income and Expenditure	974	1,975	2,949
Adjustments between accounting basis & funding basis under regulations (Note 7.2)	(819)	819	0
Net (increase)/decrease before transfers to Other Statutory Reserves	155	2,794	2,949
(Increase)/Decrease in 2022/23	155	2,794	2,949
Balance at 31 March 2023 carried forward	(1,295)	1,202	(93)

2023/24 - Current Financial Year	Usable Reserves	Unusable Reserves	Total Board
	General Fund Balance		Reserves
	£'000	£'000	£'000
Opening Balances at 1 April 2023	(1,295)	1,202	(93)
Movement in reserves during 2023/24			
(Surplus) or deficit on provision of services	738	0	738
Other Comprehensive Expenditure and Income	0	(185)	(185)
Total Comprehensive Income and Expenditure	738	(185)	553
Adjustments between accounting basis & funding basis under regulations (Note 7.1)	(226)	226	0
Net (increase)/decrease before transfers to Other Statutory Reserves	511	41	553
(Increase)/Decrease in 2023/24	511	41	553
Balance at 31 March 2024 carried forward	(784)	1,243	460

General Fund analysed over:	£'000
Amounts earmarked	(431)
Amounts uncommitted	(353)
Total General Fund Balance at 31 March 2024	(784)

* Other Comprehensive Expenditure and Income is restated by £1,277,000 to exclude unfunded pension benefits from the Asset Ceiling adjustment.

LOTHIAN VALUATION JOINT BOARD

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with the generally accepted accounting practices, rather than the amount to be funded from requisitions. The Board receives requisitions to cover expenditure in accordance with regulations; this may be different from the accounting cost.

2022/23 Restated				2023/24		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
7,319	(37)	7,282	Assessor's Services - Non-Domestic Lands Valuation, Council Tax Valuation and Registration of Electors	7,039	(34)	7,005
7,319	(37)	7,282	Cost Of Services	7,039	(34)	7,005
			Financing and Investment Income:			
0	(39)	(39)	Interest & Investment income (Note 10.5)	0	(76)	(76)
1,834	0	1,834	Interest Cost on Defined Benefit Obligation (Note 21.5)	2,256	0	2,256
0	0	0	Interest on the Effect of the Asset Ceiling	1,144	0	1,144
0	(1,862)	(1,862)	Interest Income on Pension Assets (Note 21.4)	0	(3,339)	(3,339)
1,834	(1,901)	(67)	Total Financing and Investment Income	3,400	(3,415)	(15)
			Non-Specific Grant Income:			
0	(6,221)	(6,221)	Constituent council requisitions (Note 25)	0	(6,163)	(6,163)
0	(20)	(20)	Taxation and Non-Specific Grant Income (Note 26)	0	(89)	(89)
0	(6,241)	(6,241)	Total Non-Specific Grant Income	0	(6,252)	(6,252)
9,153	(8,179)	974	(Surplus) or Deficit on Provision of Services (Note 2)	10,439	(9,701)	738
			Other Comprehensive Income and Expenditure:			
0	(24,736)	(24,736) *	Change in Financial Assumptions (Note 21.5)	0	(1,709)	(1,709)
0	(519)	(519)	Change in Demographic Assumptions (Note 21.5)	0	(314)	(314)
2,785	0	2,785	Other Experience (Note 21.4 & 21.5)	6,299	0	6,299
361	0	361	Return on pension assets excl. amounts included in net int. (Note 21.4)	0	(962)	(962)
0	24,084	24,084 *	Change in the Effect of the Asset Ceiling (Note 21.5)	0	(3,499)	(3,499)
12,299	(9,350)	2,949	Total Comprehensive Income and Expenditure	16,738	(16,185)	553

* The Comprehensive Income and Expenditure Statement for 2022/23 is restated to show the Change in Financial Assumptions of (£24,736,000) as a separate adjustment from the Change in the Effect of the Asset Ceiling of £24,084,000. These were previously shown as a net adjustment. There is no change to the Total Comprehensive Income and Expenditure. The Change in the Effect of the Asset Ceiling is restated by £1,277,000 to exclude unfunded pension benefits from the Asset Ceiling adjustment.

LOTHIAN VALUATION JOINT BOARD

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first category of reserves are usable reserves, that is, those reserves that the Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are those that the Board is not able to use to provide services. This category of reserves include reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

Restated 31 March 2023 £'000		Notes	31 March 2024 £'000
3,056	Property, plant and equipment	8.1	2,695
55	Intangible assets	9	31
51	Long-term debtors	23	45
3,162	Long term assets		2,771
119 *	Short-term debtors	11	206
1,618	Cash and cash equivalents	12	864
1,737	Current assets		1,071
(630) **	Short-term creditors	13	(453)
(630)	Current liabilities		(453)
(2,584) **	Other long-term liabilities - property lease	22	(2,294)
(1,277) ***	Other long-term liabilities - Pensions	21.3	(1,275)
(315)	Other long-term liabilities	24	(280)
(4,176)	Long-term liabilities		(3,849)
93	Net assets/(liabilities)		(460)
(1,295)	Usable reserves	14	(784)
1,202	Unusable reserves	14	1,243
(93)	Total reserves		460

The unaudited Annual Accounts were authorised for issue by the Treasurer on 18th June 2024
The audited Annual Accounts were authorised for issue on 10th September 2024

Treasurer: _____
Richard Lloyd-Bithell, CPFA

Date: _____

* Short-term debtors restated to re-classify £5,500 to short-term creditors.

** Short-term creditors reduced by £0.267m. Other long-term liabilities - property lease increased by £0.267m to reflect the property lease repayment profile.

*** Other long-term liabilities-Pensions is restated by £1,277,000 to exclude unfunded pension benefits from the Asset Ceiling adjustment.

LOTHIAN VALUATION JOINT BOARD

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flow arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of requisitions and recipients of services provided by the Board. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows.

31 March 2023 £'000	31 March 2023 £'000		31 March 2024 £'000	31 March 2024 £'000
OPERATING ACTIVITIES				
(43)		Cash received for goods and services	(38)	
(20)		Government grants	(89)	
0		Other local authorities	0	
(39)		Interest received	(76)	
(6,221)		Other operating cash receipts	(6,070)	
	(6,323)	Cash inflows generated from operating activities		(6,273)
4,809		Cash paid to and on behalf of employees	5,252	
1,624		Cash paid to suppliers of goods and services	1,746	
	6,433	Cash outflows generated from operating activities		6,998
	110	Net cash flows from operating activities (Note 15.1)		725
INVESTING ACTIVITIES				
54		Purchase of property, plant and equipment and intangible assets.	29	
	54	Net cash flows from investing activities		29
	164	Net (increase)/decrease in cash and cash equivalents (Note 15.2)		754
1st April £'000	1st April £'000		1st April £'000	1st April £'000
1,782		Cash and cash equivalents	1,618	
	1,782			1,618
31st March			31st March	
1,618		Cash and cash equivalents	864	
	1,618			864
	164	Net (increase)/decrease in cash and cash equivalents (Note 15.2)		754

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

1.1 General

The Annual Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice in the United Kingdom (the Code). This is to ensure that the Annual Accounts "present a true and fair view" of the financial position and transactions of the Board.

The Annual Accounts have been prepared on an historic cost basis, modified by the valuation of pension assets and liabilities where appropriate.

1.2 Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place and not simply when cash payment is made or received. This means that expenses are recorded when goods or services have been received and income is recorded when goods or services have been provided. This recording is irrespective of whether cash has actually been paid or received in the year.

1.3 Cash and Cash Equivalents

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

1.4 Changes in Accounting Policies, Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, or other events or conditions on the Board's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, that is, in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.5 Revenue Expenditure

Revenue expenditure is that which does not yield benefit beyond the year of account. In broad terms the revenue expenditure of the Board can be divided into two categories:

- employees;
- day-to-day operating expenses, includes costs incurred in respect of Transport, Premises, ICT, postage and general administration.

All revenue expenditure is accounted for on an accruals basis.

Each year net revenue expenditure is met by way of requisitions on the City of Edinburgh, Midlothian, East Lothian and West Lothian Councils.

1.6 Capital Expenditure

Capital expenditure is presented as a fixed asset in the Balance Sheet. Capital expenditure is the expenditure on the acquisition of tangible or intangible assets which adds to and not merely maintains the value of an existing asset provided that it yields benefits to the Board and the services it provides for a period of more than one year. Capital expenditure is subject to a de-minimis level of £6,000.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.7 Short Term Debtors and Short Term Creditors

The revenue and capital transactions of the Board are recorded on an accruals basis which means that amounts due to or from the Board, but still outstanding at the year end, are included in the accounts. Where there was insufficient information to provide actual figures, estimates have been included.

1.8 Value Added Tax

Value Added Tax is excluded from the Annual Accounts unless it is not recoverable from HM Revenues and Customs.

1.9 Non-Current Assets

a) Intangible Assets

Recognition:

- Intangible assets are non-current assets that have no physical substance but are identifiable and controlled by the Board and it can be established that there is an economic benefit or service potential associated with the item which will flow to the Board. This expenditure is mainly in relation to software licenses purchased by the Board. Expenditure on the acquisition, creation or enhancement of intangible assets has been capitalised on an accruals basis.

Amortisation:

- Software licences classified as intangible assets. In most cases intangible assets are depreciated over the period of the licence, however, where the period of the licence is deemed 'infinite' the software has been depreciated based on an assessment of expected useful life.
- The amortisation policy from 1st April 2017 is for amortisation to be provided for in the year of acquisition.
- Amortisation is calculated using the straight-line basis on the opening book value over the remaining useful life of the asset;

Measurement:

- Intangible assets are initially measured at cost and included in the Balance Sheet at net historical cost.

b) Property, Plant and Equipment

Property, plant and equipment are tangible items held for use by the Board in its provision of service and are expected to be used for more than one financial year. Property, plant and equipment are included in the Balance Sheet in the following classes:

- Leasehold improvements;
- Vehicles, plant, furniture and equipment
- Property lease - Right of Use asset;

The Board has adopted International Financial Reporting Standard 16 (IFRS16) with effect from 1st April 2022. This results in recognition of a right-of-use asset and related lease liability for the Board's property lease of 17a South Gyle Crescent, Edinburgh. The lease was previously accounted for as an operating lease. Under the provisions for adoption, there is not a requirement to restate the prior year figure.

Recognition:

- Expenditure on the acquisition, creation or enhancement of these non-current assets has been capitalised on an accruals basis, provided that future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. This expenditure is subject to the application of a de-minimis level of £6,000.

Amortisation:

Amortisation is provided on all property, plant and equipment with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- No amortisation is charged on freehold land;
- The amortisation policy from 1st April 2017 is for amortisation to be provided for in the year of acquisition.
- Amortisation is calculated using the straight-line basis on the opening book value over the asset's remaining useful life;

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.9 Non-Current Assets (Contd.)

b) Property, Plant and Equipment (Contd.)

Depreciation (Contd.):

- Non-current assets are depreciated as follows:

Asset	Years
Property (Leasehold improvements) - 25 years (currently 10 years remaining) Depreciated over remaining life of asset	10
Vehicles, plant and equipment	5

Measurement:

Property, plant and equipment, and leasehold improvements are measured at depreciated historic cost, this being a proxy for fair value in line with the Code.

De-recognition:

An asset is de-recognised either on its disposal or where no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition of an asset is included in "Surplus or Deficit on the Provision of Service" within the Comprehensive Income and Expenditure Statement when the asset is de-recognised. The gain or loss on de-recognition of property, plant and equipment assets is a reconciling item in the "Movement in Reserves Statement for the General Fund".

Impairment:

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired, that is, that the carrying value of an asset on the Balance Sheet exceeds its recoverable amount. Where indications exist and any possible differences are material, the recoverable amount is estimated and an impairment loss is recognised for the shortfall.

1.10 Overheads and Support Services

The costs of support services are allocated on a basis appropriate to the service provided in order to match costs to service usage. Certain support service costs are provided under a Service Level Agreement between the Board and service provider.

1.11 Charges to Comprehensive Income and Expenditure Statement for use of non-current assets

The Comprehensive Income and Expenditure Statement is charged with the following amounts to record the real cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the Board;
- Impairment losses, if any, attributable to the clear consumption of economic benefits on property, plant and equipment used by the Board.

The Board is not required to raise requisitions on the constituent councils to cover depreciation or impairment losses. Depreciation and impairment losses are not proper charges under statutory accounting requirements and are therefore a reconciling item in the Movement in Reserves Statement for the General Fund by way of an adjusting transaction with the Capital Adjustment Account.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.12 Leases

Leases for Right of Use assets are classified as finance leases where the terms of the lease are consistent with International Financial Reporting Standard 16 (IFRS16). All other leases are classified as operating leases.

A weighted average incremental borrowing rate of 0.95% has been applied to lease liabilities as at 1 April 2022.

a) Finance Leases

Leased-in assets

The Board has identified one leased-in property asset that falls within the definition of a finance lease.

The lease is recognised as a Right of Use asset on the Balance Sheet. Depreciation and an Interest expense is charged to the Comprehensive Income and Expenditure statement over the life of the lease.

Leased-out assets

The Board has not identified any leased-out assets that fall under the definition of finance leases.

b) Operating Leases

Leased-in assets

Rental payments, net of benefits received, under operating leases are charged to the Comprehensive Income and Expenditure statement on a straight line basis over the life of the lease.

Leased-out assets

The Board has not identified any leased-out assets that fall under the definition of operating leases.

1.13 Provisions

Provision is made within the Annual Accounts when the board has a present legal or constructive obligation as a result of a past event, there is a probability of a transfer of economic benefit and a reliable estimate can be made of the obligation. Provisions are charged to the Comprehensive Income and Expenditure Statement in the year in which the Board becomes aware of the obligation.

1.14 Contingent Liability

A contingent liability is defined as either a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one of more uncertain future events, which are not wholly within the control of the Board or a present obligation that arises from past events, but it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. If such obligation exist, they are not recognised in the Balance Sheet but are disclosed as a note to the Annual Accounts.

1.15 Contingent Assets

A contingent asset arises where an event has taken place that gives the Board a possible asset whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, which are not wholly within the control of the Board. If such assets exist, they are disclosed as a note to the Annual Accounts.

1.16 Employee Benefits

Cost of service includes a charge for annual leave to which employees are entitled, but have not taken as at the Balance Sheet date. The Board is not required to raise requisitions on constituent councils to cover the cost of accrued annual leave. These costs are therefore replaced by revenue provision in the Movement in Reserves Statement for the General Fund balance by way of an adjusting transaction with the Accumulated Absences Account.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.17 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate employees' employment before the normal retirement date or an employee's decision to accept voluntary redundancy. These amounts are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Board is demonstrably committed to either terminating the employment of an employee or making an offer to encourage voluntary redundancy.

1.18 Pensions

The Joint Board is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by the Lothian Pension Fund. The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

The Annual Accounts have been prepared including pension costs, as determined under International Accounting standard 19 - Employee Benefits (IAS 19). The cost of service in the Comprehensive Income and Expenditure Statement includes expenditure equivalent to the amounts of retirement benefits the Board has committed to pay during the year. Interest Cost on Defined Pension Obligation and Interest Income on Pension Assets have been included in the "Surplus or Deficit on the Provision of Services" within the Comprehensive Income and Expenditure Statement. Other comprehensive income and expenditure within the Comprehensive Income and Expenditure Statement also now shows the financial effect of changes in financial assumptions, other experience and return on pension assets excluding amounts included in net interest.

The pension costs charged to the Comprehensive Income and Expenditure Statement in respect of employees are not equal to contributions paid to the funded scheme for employees. The amount by which pension costs under IAS19 are different from the contributions due under the pension scheme regulations are disclosed in the Movement in Reserves Statement for the General Fund Balance.

Pension assets have been valued at bid value (purchase price), as required under IAS19.

Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

1.19 Revenue Contributions

Revenue contributions from constituent councils have been included in the Annual Accounts on an accruals basis.

1.20 Reserves

Reserves held on the Balance Sheet are classified as either usable or unusable. Usable reserves hold monies that can be applied to fund expenditure. Unusable reserves cannot be applied to fund expenditure.

The Board operates the following usable reserves:

a) *General Fund*

This represents the balance of the surpluses or deficits arising from the Comprehensive Income and Expenditure Statement. The Board changed its accounting policy in relation to unspent requisitions during 2015/16. In February 2018 the Board approved a formal reserves policy based on holding a general reserve with a minimum value of 3% of annual requisition. Balances held in excess of 3% require to be reviewed annually in-line with risk/identified commitments.

The Board operates the following unusable reserves:

b) *Capital Adjustment Account*

This provides a balancing mechanism between the different rates at which assets are depreciated and financed.

c) *Pension Reserve*

This represents the difference between the monies which the Board requires to meet its pension liability/the value of the net pension asset, as calculated under International Accounting Standards 19, Employee Benefits (IAS 19) and the amount required to be charged to the General Fund in accordance with statutory requirement governing Local Government Pension Scheme.

d) *Accumulated Absences Account*

This represents the net monies required to meet short-term compensated absences for employees under IAS19.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.21 Financial Instruments

a) *Financial Liabilities*

Financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. As at 31st March 2024, the Board had no borrowings.

b) *Financial Assets*

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. The Board holds its surplus funds with the City of Edinburgh Council in a pooled investment arrangement and does not place external deposits in its own name. These sums are presented in the Balance Sheet as the balance due from the City of Edinburgh Council and interest receivable from this investment is credited to the Comprehensive Income and Expenditure Statement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the Comprehensive Income and Expenditure Statement.

Any gains and losses that arise on the de-recognition of the asset are credited/debited to the Comprehensive Income and Expenditure Statement.

1.22 Events After the Balance Sheet Date

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts is authorised for issue. Two types of event can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such items;
- those that are indicative of conditions that arose after the reporting period - the Annual Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

1.23 Exceptional Items

When items of income and expenditure are material, their nature and amount are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Board's financial performance.

1.24 Going Concern

It is appropriate to adopt a going concern basis for the preparation of the Annual Accounts as the constituent authorities have a legal obligation under the 1995 Combined Area Amalgamation Scheme Order to provide the Joint Board with funding to meet all liabilities as they fall due.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

2. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (requisitions from local authorities) by the Lothian Valuation Joint Board in comparison with those resources consumed or earned by the Lothian Valuation Joint Board in accordance with general accounting practice. It also shows how this expenditure is allocated for decision making purposes between service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES) (see page 7).

EXPENDITURE AND FUNDING ANALYSIS						
2022/23			2023/24			
Net Expend. Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES		Net Expend. Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
£000	£000	£000		£000	£000	£000
6,396	886	7,282	Assessor's Services	6,763	242	7,005
6,396	886	7,282	Net Cost of Services	6,763	242	7,005
			Other Income and Expenditure			
(6,221)	0	(6,221)	Constituent council requisitions	(6,163)	0	(6,163)
			Taxation and Non-Specific Grant			
(20)	0	(20)	Income	(89)	0	(89)
0	(39)	(39)	Interest and investment income	0	(76)	(76)
0	(28)	(28)	Net pension interest cost	0	61	61
155	819	974	(Surplus) or deficit on the provision of services	511	226	738
(1,450)			Opening General Fund Balance	(1,295)		
<u>155</u>			(Surplus) / Deficit on the provision of services	<u>511</u>		
(1,295)			Closing General Fund Balance at 31 March	(784)		

Notes to the Expenditure and Funding Analysis:

2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2023/24:

	Adjusts. For Capital Purposes	Net Change for Pensions	Adjusts.	Other Differences	Total Statutory Adjusts.	Presentation Adjusts.	Total Adjusts.
	£000	£000	£000	£000	£000	£000	£000
Assessor's Services	108	122		(64)	165	76	242
Net Cost of Services	108	122		(64)	165	76	242
Other Income and Expenditure							
Constituent council requisitions	0	0	0	0	0	0	0
Interest and investment income	0	0	0	0	0	(76)	(76)
Net pension interest cost	0	61	0	0	61	0	61
(Surplus) or deficit on the provision of services	108	183		(64)	226	0	226

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

2. EXPENDITURE AND FUNDING ANALYSIS (Contd.)

Notes to the Expenditure and Funding Analysis:

2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

- Adjustments for capital purposes include the removal of depreciation and impairment costs, and the inclusion of capital funded from current revenue.
- Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.
- Other differences relate to the reversal of the value of entitlement to accrued leave.
- Presentational adjustments relate primarily to the presentation of interest on revenue balances.

2.2 Segmental Analysis of Expenditure and Income included in Expenditure and Funding Analysis

Expenditure and Income received on a segmental basis is analysed below:

Expenditure	Core Expenditure, Individual		Total
	Electoral Registration (IER)	NDR Reform	
	£000	£000	£000
Employee expenses	5,054	190	5,243
Other service expenses	1,498	64	1,563
Support service recharges	67	0	67
Total Expenditure	6,619	254	6,873
Income			
Revenues from external customers	(89)	0	(89)
Income from recharges for services	(34)	0	(34)
Interest and investment income	(76)	0	(76)
Total Income	(199)	0	(199)
Net Cost of Services	6,420	254	6,674

2.3 Expenditure and Income Analysed by Nature

The Board's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows:

	2022/23	2023/24
Expenditure	£000	£000
Employee expenses	5,565	5,301
Other service expenses	1,146	1,146
Support service recharges	69	67
Depreciation and impairment	539	524
Interest payments	1,834	2,256
Total Expenditure	9,153	9,295
Income		
Fees, charges and other service income	(37)	(34)
Government grants and other contributions	(20)	(89)
Interest and investment income	(1,901)	(2,271)
Income from constituent Councils	(6,221)	(6,163)
Total Income	(8,179)	(8,557)
(Surplus) or Deficit on the Provision of Services	974	738

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

3. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020;
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022;
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022;
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

For each of the standards introduced by the 2024/25 Code, there is currently no information known on the potential impact that application of the new standards will have on the Board's financial statements.

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

- There is high degree of uncertainty about future levels of funding for local government. The Board has determined that this uncertainty is not yet sufficient to provide an indication that the Board's assets might be impaired as a result of a need to reduce service provision;
- Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling) - the Board's actuary has made no additional allowance for this initial legal judgement from July 2023 due to:
 - > the ruling only applying to the above-named private sector pension scheme;
 - > the legal judgement is currently being appealed;
 - > it is unknown whether there would be any potential remedy required to public service schemes;
 - > it is unknown what the impact of any potential remedy would be;
 - > it is unknown whether Section 37 certificates exist for prior scheme amendments.
- Local Government Pension Scheme - Guaranteed minimum pension (GMP). The interim solution to avoid inequalities between men and women's benefits following the introduction of the Single State Pension in 2016 resulted in a recalculation of pension liabilities for the estimated impact of GMP indexation changes. The Board's actuary has allowed for the impact of full GMP indexation in the calculation of the funding valuation results. The funding valuation results are used as the starting point for the accounting roll-forward calculation. An allowance for full GMP indexation is included in the accounting disclosure;
- GMP equalisation – historical transfers (Further Lloyd's ruling) - the Board's actuary has advised that this further ruling is unlikely to have a significant impact on the pension obligations of a typical employer. No allowance has therefore been made for this within the pension obligation calculation;
- Local Government Pension Scheme (LGPS) - McCloud and Sargeant cases. The Board's actuary has allowed for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure;
- The Goodwin case judgement in respect of deemed discrimination in spousal transfer on death of a member may also result in the potential increasing of the pension liabilities. The actuary has previously carried out some approximate analysis to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits. The remedy is still uncertain but the potential impact is estimated to be very small for a typical Fund (c0.1% of obligations). The Board's actuary does not believe it is necessary or appropriate to make an adjustment for this;

The Walker and O'Brien court cases may impact on future LGPS benefits. The Board's actuary understands these are unlikely to be significant judgements in terms of impact on the pension obligations of a typical employer. As a result, and until further guidance is released from the relevant governing bodies in the LGPS, no allowance has been made for the potential remedies for these judgements.

5. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Annual Accounts contains estimated figures that are based on assumptions made by the Board about the future or events that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

5. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY (Contd.)

5.1 Property, Plant and Equipment

Uncertainties

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relations to individual assets. The current economic climate may mean that the Board restricts spending on repairs and maintenance which, in turn, may have an effect on the useful lives of the assets.

Effect if Actual Result Differs from Assumptions

If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge would increase by £0.008m for every year that useful lives had to be reduced.

5.2 Pension Liabilities

Uncertainties

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.

Effect if Actual Result Differs from Assumptions

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. For LGPS Funds, asset investment returns have been greater than expected compared to last year's accounting date assumption. The net discount rate assumption has increased by more than the increase in the CPI assumption, which has resulted in a gain on the balance sheet position. Using more up-to-date longevity assumption has also led to a small gain on the obligations.

Under accounting guidance, employers are expected to disclose the sensitivity of the valuation to key assumptions.

The costs of a pension arrangement require estimates regarding future experience. The financial assumptions used for reporting under the Accounting Standard are the responsibility of the Employer. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pensions in payment), can have a significant effect on the value of the liabilities reported.

A reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. A rise in the net discount rate will have an opposite effect of similar magnitude.

There is also uncertainty around life expectancy of the UK population. The value of current and future pension benefits will depend on how long they are assumed to be in payment.

The following table shows the sensitivity of the results to the changes in the assumptions used to measure the scheme liabilities. Approximate percentage changes and monetary values are shown:

	Approximate % increase to Employer Obligations %	Approximate monetary value £000
0.1% decrease in Real Discount Rate	2%	921
1 year increase in member life expectancy	4%	2,082
0.1% increase in the Salary Increase Rate	0%	73
0.1% increase in the Pension Increase Rate	2%	863

6. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

7.1 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 the resources that are specified by statutory provisions as being available to the Board to meet future capital and revenue expenditure.

2023/24 - Current Financial Year	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Pension Reserve	Accumulated Absence Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current and intangible assets	(415)	415	0	0	415
Insertion of items not debited or credited to the CIES					
Statutory provision for the financing of capital investment	277	(277)	0	0	(277)
Capital expenditure charged against General Fund Balance	29	(29)	0	0	(29)
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	(1,375)	0	1,375	0	1,375
Employer's pension contributions and direct payments to pensioners payable in the year	1,192	0	(1,192)	0	(1,192)
Adjustments primarily involving the Employee Statutory Adjustment Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	64	0	0	(64)	(64)
Total Adjustments	(226)	108	183	(64)	226

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS (Contd.)

7.2 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 the resources that are specified by statutory provisions as being available to the Board to meet future capital and revenue expenditure.

2022/23 - Previous Year Comparative	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Pension Reserve	Accumulated Absence Account	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	(114)	114	0	0	114
Depreciation of intangible assets	(38)	38	0	0	38
Insertion of items not debited or credited to the CIES					
Capital expenditure charged against General Fund Balance	54	(54)	0	0	(54)
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	(1,536)	0	1,536	0	1,536
Employer's pension contributions and direct payments to pensioners payable in the year	824	0	(824)	0	(824)
Adjustments primarily involving the Employee Statutory Adjustment Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(9)	0	0	9	9
Total Adjustments	(819)	99	712	9	819

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

8. PROPERTY PLANT AND EQUIPMENT

Movements on balances:

8.1 Current Year Movements in 2023/24	Right of Use	Leasehold	Vehicles	Total
	Asset	Improvements	Plant and	Property
Cost or Valuation	£000's	£000's	Equipment	Plant and
			£000's	Equipment
				£000's
At 1st April 2023	3,128	432	171	3,731
Impairment	0	0	(27)	(27)
Derecognised assets GBV reversal	0	0	0	0
Additions	0	0	21	21
At 31st March 2024	3,128	432	165	3,726
Accumulated Depreciation				
At 1st April 2023	(321)	(273)	(81)	(675)
Impairment	0	0	13	13
Depreciation charge	(321)	(18)	(29)	(368)
At 31st March 2024	(642)	(291)	(98)	(1,030)
Net Book Value at 31st March 2024	2,486	141	68	2,695

8.2 Previous Year Movements in 2022/23	Right of Use	Leasehold	Vehicles	Total
	Asset	Improvements	Plant and	Property
Cost or Valuation	£000's	£000's	Equipment	Plant and
			£000's	Equipment
				£000's
At 1st April 2022	3,128	432	185	3,745
Impairment	0	0	(14)	(14)
Derecognised assets GBV reversal	0	0	0	0
Additions	0	0	0	0
At 31st March 2023	3,128	432	171	3,731
Accumulated Depreciation				
At 1st April 2022	0	(256)	(52)	(308)
Derecognised assets depreciation reversal	0	0	0	0
Depreciation charge	(321)	(18)	(34)	(373)
Impairment	0	0	6	6
At 31st March 2023	(321)	(273)	(81)	(675)
Net Book Value at 31st March 2023	2,807	159	90	3,056

8.3 Depreciation

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

- Right of Use asset (property lease) - 25 years
- Leasehold improvements (buildings) - 25 years
- Vehicles, plant and equipment - 5 years

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

8. PROPERTY PLANT AND EQUIPMENT (Contd.)

8.4 Capital Commitments

There were no capital commitments entered into by the Board as at 31st March 2024.

8.5 Revaluations

Property, plant and equipment are shown in the balance sheet at depreciated historic cost. This does not comply with the Code, however, the difference is not considered material.

The significant assumptions applied in estimating the fair values are:

- the property was not inspected - this was neither practical nor considered by the valuer to be necessary for the purpose of the valuation;
- unless stated otherwise, all properties with greater than de-minimis value were assumed to be in reasonable state of repair and have a life expectancy of more than 50 years;
- the valuations were prepared using information from the City of Edinburgh Council's internal records as well as the Valuation Roll produced by the Lothian Valuation Joint Board.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

9. INTANGIBLE ASSETS

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

All software is given a useful life, based on assessments of the period that the software is expected to be of use to the Board. The useful lives assigned to the major software suites used by the Board are:

- 2 years:
 - Central Mobile Advanced Software
- 3 years:
 - Cohesity Replica Delivered as a Service -Data Retention for capacity
 - Unity - Pro Support 4HR/MC
 - Central Intercept X Advanced Software
 - Basic Support Vmware
 - Central Mobile Advanced Software
 - Digital 360 upgrade
- 5 years:
 - FMP HR and Payroll Software Limited - Software

The carrying amount of intangible assets is depreciated on a straight-line basis. Amortisation of £0.032m was charged to the Comprehensive Income and Expenditure during 2023/24.

The movement on Intangible Assets during the year is as follows:

	2022/23	2023/24
	£'000	£'000
	Restated	
Balance at start of year:		
• Gross carrying amounts	*	128
• Accumulated amortisation	*	(89)
Net carrying amount at start of year	*	39
• Gross carrying amounts	128	182
• Accumulated amortisation	(89)	(127)
Net carrying amount at start of year	39	55
Additions	54	8
Impairment of assets	0	0
Derecognition - disposals	0	0
Amortisation for the period	(38)	(32)
Net carrying amount at end of year	55	31
Comprising:		
• Gross carrying amounts	182	190
• Accumulated amortisation	(127)	(159)
	55	31

- * The Gross carrying amount and accumulated depreciation at 31st March 2023 is restated to reflect intangible assets with a value of £25,000, which were fully impaired at 31st March 2022. The restatement had no effect on the net carrying amount at 31st March 2023.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

10. FINANCIAL INSTRUMENTS

10.1 In accordance with IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation; this note details the make up of financial instruments, both assets and liabilities, the key risks the Board is exposed to in its management of its financial instruments, and how these are managed. From 1st April 2012, the Board changed its Accounting Policy in respect of the transfer of assets to comply with amendments to IFRS 7 issued in October 2010. The standard does not have a material impact on the Annual Accounts of the Board.

10.2 Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Board and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Board.

The Board's financial liabilities held during the year are measured at amortised cost and comprised:

- Trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Board that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Board. The financial assets held by the Board during the year are accounted for under the following classifications:

Amortised cost comprising:

- Cash in hand,
- Cash and cash equivalents (Loans and receivables). The Board maintains its funds as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Board. Interest is given on month end net indebtedness balances between the Council.
- Trade receivables for goods and services provided.

10.3 Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories

	Non-Current		Current	
	31st March	31st March	31st March	31st March
	2023	2024	2023	2024
Financial Liabilities	£'000	£'000	£'000	£'000
Trade creditors	0	0	(630)	(453)

Trade creditors at 31 March 2023 are restated for the Finance Lease charge due within one year, per IFRS16.

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	Non-Current		Current	
	31st March	31st March	31st March	31st March
	2023	2024	2023	2024
Cash and Cash Equivalents	£'000	£'000	£'000	£'000
Loans and receivables	0	0	1,618	864
Debtors				
Trade debtors	0	0	119	206

10.4 Financial Instruments - Fair Values

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2023, using the following methods and assumptions:

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

10. FINANCIAL INSTRUMENTS (Contd.)

10.4 Financial Instruments - Fair Values (Contd.)

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets the fair value is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2024, using the following methods and assumptions:

- Cash and cash equivalents – actual indebtedness balance. The Board maintains its funds as part of the City of Edinburgh Council's group of bank accounts. Loans to and from the City of Edinburgh Council are variable rate and repayable on demand. The fair value of these loans has therefore been taken to be their carry value.
- The fair value of short-term instruments, including trade payables and receivables, is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	31 March 2023		31 March 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Trade creditors	(630)	(630)	(453)	(453)
Trade debtors	119	119	206	206
Loans and receivables	1,618	1,618	864	864

10.5 Income, Expenses, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	Financial Assets measured at amortised cost	Financial Assets measured at amortised cost
	31st March 2023	31st March 2024
	£'000	£'000
Total expense and income in Surplus or Deficit on the Provision of services :		
Interest income	(39)	(76)

11. SHORT TERM DEBTORS

	2022/23 Restated	2023/24
	£'000	£'000
Debtors:		
• Trade Receivables	0	94
• Prepayments	* 119	112
	<u>119</u>	<u>206</u>

12. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is made up of the following elements:

	2022/23	2023/24
	£'000	£'000
• Other local authorities	1,618	864
	<u>1,618</u>	<u>864</u>

13. SHORT TERM CREDITORS

	2022/23	2023/24
	£'000	£'000
Creditors:		
• Trade payables	* (48)	(44)
• Other payables	(305)	(121)
• Finance Lease obligations	** (277)	(289)
	<u>(630)</u>	<u>(453)</u>

* 2022/23 Trade Payables restated to include £5,500 previously classified as a Prepayment.

** Finance lease obligation reduced to £277,000 to reflect the property lease repayment profile as at 31st March 2023.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

14. USABLE AND UNUSABLE RESERVES

<u>USABLE</u>		2022/23	2023/24
		£'000	£'000
14.1	General Fund Balance	(1,295)	(784)
		<u>(1,295)</u>	<u>(784)</u>

<u>UNUSABLE</u>		2022/23	2023/24
		Restated £'000	£'000
14.2	Capital Adjustment Account	(250)	(142)
14.3	Pension Reserve	1,277	1,275
14.4	Accumulated Absence Account	175	111
		<u>1,202</u>	<u>1,243</u>

14.1 General Fund Balance

Movements in the Authority's usable reserve are detailed in the Movement in Reserves Statement. The General Fund balance represents the balance of the surpluses or deficits arising from the Comprehensive Income and Expenditure Statement.

The table below details the surplus or deficits arising annually since 2010/11. Prior to 2010/11 all surplus balances were refunded to constituent councils.

In February 2018 the Board approved a formal reserves policy based on holding a general reserve with a minimum value of 3% of annual requisition. Balances held in excess of 3% require to be reviewed annually in-line with risk/identified commitments.

<u>Year</u>	2022/23	2023/24
	£'000	£'000
2010/11	(228)	(228)
2011/12	(42)	(42)
2012/13	(127)	(127)
2013/14	(104)	(104)
2014/15	(309)	(309)
2015/16	(206)	(206)
2016/17	(259)	(259)
2017/18	128	128
2018/19	(121)	(121)
2019/20	87	87
2020/21	(51)	(51)
2021/22	(218)	(218)
2022/23	155	155
2023/24		<u>511</u>
	<u>(1,295)</u>	<u>(784)</u>

14.2 Capital Adjustment Account

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

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

14. USABLE AND UNUSABLE RESERVES (Contd.)

14.2 Capital Adjustment Account (Contd.)

	2022/23 £'000	2023/24 £'000
Balance at 1st April	(349)	(250)
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
• Charges for depreciation and impairment of non-current assets	114	346
• Depreciation of intangible assets	38	0
	<hr/>	<hr/>
Net written out amount of the cost of non-current assets consumed in year	(197)	96
Capital financing for the year:		
• Statutory provision for the financing of capital expenditure	(54)	(277)
	<hr/>	<hr/>
Balance at 31st March	(250)	(181)

14.3 Pension Reserve

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

	2022/23 Restated £'000	2023/24 £'000
Balance at 1st April	(1,410)	1,277
Remeasurements of the net defined benefit liability / (asset)	1,975 *	(185) *
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	1,536	1,375
Employer's pension contributions and direct payments to pensioners payable in the year.	(824)	(1,192)
	<hr/>	<hr/>
Balance at 31st March	1,277	1,275

* International Accounting Standard 19 (IAS19) imposes a limit on the maximum amount of surplus which can be recognised on the balance sheet. The Remeasurement amount reduces the value of the Pension Asset to the maximum restricted amount.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

14. USABLE AND UNUSABLE RESERVES (Contd.)

14.4 Accumulated Absences Account

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

	2022/23 £'000	2022/23 £'000	2023/24 £'000	2023/24 £'000
Balance at 1st April		166		175
Settlement or cancellation of accrual made at the end of the preceding year	(166)		(175)	
Amounts accrued at the end of the current year	175		111	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		9		(64)
Balance at 31st March		175		111

15 CASH FLOW STATEMENT

15.1 Reconciliation between the General Fund Balance and the revenue activities net cash flow.

	2022/23 £'000	2023/24 £'000
Net (increase)/decrease in the General Fund Balance	155	511
Exclude accumulated absences	9	(63)
Exclude revenue contribution to capital	(54)	(29)
	110	418
(Decrease)/increase in revenue debtors	(17)	88
(Decrease)/increase in long term debtors	(5)	(6)
Decrease/(increase) in deferred credit	35	35
Decrease/(increase) in revenue creditors	(12)	188
Revenue activities net cash flow	110	724

15.2 Reconciliation of the movement in cash with the related items in the opening and closing balance sheets for the period.

	2022/23 £'000	2023/24 £'000
Due by/(to) the City of Edinburgh Council at 31st March	1,618	864
Due by/(to) the City of Edinburgh Council at 1st April	1,782	1,618
(Increase)/decrease in cash	164	754

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

16. MEMBERS ALLOWANCES

The Board paid the following amounts to members during the year. These figures include NI and Pensions.

	2022/23	2023/24
	£000's	£000's
Salaries (incl. NI and Pensions)	5	5
Expenses	0	0
Total	5	5

17. EXTERNAL AUDIT COSTS

The Board has incurred the following costs in relation to the audit of the Annual Accounts:

	2022/23	2023/24
	£000's	£000's
External audit services carried out for the year	8	9

18. RELATED PARTIES

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

18.1 Scottish Government

The Scottish Government is responsible for providing the statutory framework within which the Board operates. It provides the majority of the Board's funding in the form of grants to the constituent councils, and prescribes the terms of many of the transactions that the Board has with other parties. Constituent councils provide funding to the Board at the start of each financial year.

18.2 Members

Members of the Board have direct control over the Board's financial and operating policies. The total of members' allowances paid in 2023/24 shown in Note 16 and the Remuneration Report.

18.3 Other Parties

During the year, the Board entered into the following transactions with related parties:

	2022/23	2023/24
	£000's	£000's
• The City of Edinburgh Council:		
Rates	119	162
Rent	399	356
Central support costs	69	67
Interest on revenue balances	(39)	(76)
Constituent council contribution	(3,817)	(3,774)
Trade Waste/Ground Maintenance	5	5
Due from City of Edinburgh Council	1,618	864
Long term debtor - lease of office	51	45
Convener/Vice Convener's remuneration	5	5

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

18. RELATED PARTIES (Contd.)

18.3 Other Parties (Contd.)

	2022/23 £000's	2023/24 £000's
<ul style="list-style-type: none">• Midlothian Council Constituent council contribution	(565)	(562)
<ul style="list-style-type: none">• East Lothian Council Constituent council contribution	(684)	(680)
<ul style="list-style-type: none">• West Lothian Council Constituent council contributionVice Convener remuneration	(1,155) 1	(1,147) 1
<ul style="list-style-type: none">• Clackmannanshire Council• Fife Council• Glasgow City Council• Renfrewshire Council• Registers of Scotland	46 0 2 1 2	29 4 1 1 2

19. TERMINATION BENEFITS

Three employees left during 2023/24 incurring termination benefits. The Exit Packages note is shown within the Remuneration Report.

20. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Board, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Board that has yet to be financed.

	2022/23 £000's	2023/24 £000's
Opening Capital Financing Requirement	0	0
Capital investment		
<ul style="list-style-type: none">• Property, Plant and Equipment• Intangible assets	0 54	21 8
Sources of finance		
<ul style="list-style-type: none">• Direct revenue contributions	(54)	(29)
Closing Capital Financing Requirement	0	0

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

21. DEFINED BENEFIT PENSION SCHEMES

21.1 Participation in Pension Schemes

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

The Board participates in the following post employment scheme:

- Local Government Pension Scheme (LGPS) - a funded defined benefit statutory scheme as administered by the City of Edinburgh Council's Lothian Pension Fund. The LGPS is administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

The Local Government Pension Scheme (LGPS) changed from a final salary scheme to a career average scheme on the 1 April 2015. All benefits built up in the LGPS for membership after 31 March 2015 are worked out under the rules of the new career average scheme. Before 1 April 2015 benefits were built up based on a final salary scheme. A funded defined benefit scheme, requires the Board and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

21.2 Transactions Relating to Post-employment Benefits

The Board recognises the cost of retirement benefits in the reported cost of service when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2022/23	2022/23	2023/24	2023/24
	£000	£000	£000	£000
Comprehensive Income and Expenditure Statement				
Cost of services, comprising:				
Current service costs	1,564		725	
Past service costs	<u>0</u>		589	
		1,564		1,314
Financing and investment income:				
Net interest expense		<u>(28)</u>		<u>61</u>
Total post employee benefit charged to the surplus on the provision of services		1,536		1,375
Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement				
Remeasurement of the net defined liability, comprising:				
Return on pension assets, excluding the amount incl. in the net interest expense above.	361		(962)	
Actuarial gains and (losses) arising on changes in financial and demographic assumptions	(25,255)		(2,023)	
Restriction in Pension Asset	24,084		(3,499)	
Other experience	<u>2,785</u>		<u>6,299</u>	
		<u>1,975</u>		<u>(185)</u>
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		<u>3,511</u>		<u>1,190</u>
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(2,687)</u>		<u>2</u>
Actual amount charged against the General Fund				
Balance for pensions in the year:				
Employer's contributions payable to the scheme		746		1,106
Contributions in respect of unfunded benefits		<u>78</u>		<u>86</u>
		<u>824</u>		<u>1,192</u>

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

21. DEFINED BENEFIT PENSION SCHEMES (Contd.)

21.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2022/23	2023/24
	Restated	
	£000	£000
Fair value of employer assets	70,306	72,496
Restriction in Pension Asset *	*(24,084)	(21,729)
Present value of funded liabilities	(46,222)	(50,767)
Present value of unfunded liabilities	(1,277)	(1,275)
Net liability arising from defined benefit obligation	<u>(1,277)</u>	<u>(1,275)</u>

21.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	2022/23	2023/24
	£000	£000
Opening fair value of scheme assets	69,216	70,306
Interest income	1,862	3,339
Remeasurement gain / (loss):		
Return on pension assets, excluding the amount included in the net interest expense	(361)	962
Contributions from employer	746	1,106
Contributions from employees into the scheme	229	233
Contributions in respect of unfunded benefits	78	86
Benefits paid	(1,386)	(1,675)
Other Experience	0	(1,775)
Unfunded benefits paid	(78)	(86)
Closing fair value of scheme assets	<u>70,306</u>	<u>72,496</u>

21.5 Reconciliation of Present Value of the Scheme Liabilities

	2022/23	2023/24
	£000	£000
Present value of funded liabilities	(66,111)	(46,222)
Present value of unfunded liabilities	(1,695)	(1,277)
Opening balance at 1 April	<u>(67,806)</u>	<u>(47,499)</u>
Current service cost	(1,564)	(725)
Interest cost	(1,834)	(2,256)
Contributions from employees into the scheme	(229)	(233)
Remeasurement gain / (loss):		
Change in financial assumptions	24,736	1,709
Change in demographic assumptions	519	314
Other experience	(2,785)	(4,524)
Past service cost	0	(589)
Benefits paid	1,386	1,675
Unfunded benefits paid	78	86
Closing balance at 31 March	<u>(47,499)</u>	<u>(52,042)</u>

* International Accounting Standard 19 imposes a limit on the maximum amount of surplus which can be recognised on the balance sheet. This adjustment reduces the value of the Pension Asset to the maximum restricted amount.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

21. DEFINED BENEFIT PENSION SCHEMES (Contd.)

21.6 Fair Value of Employer Assets

The following asset values are at bid value as required under IAS19.

The IAS19 asset split is based on the Plan's benchmark investment split.

	2022/23 £000	2022/23 %	2023/24 £000	2023/24 %
Equity Securities				
Consumer *	8,619.8	12%	8,562.5	12%
Manufacturing *	9,691.4	14%	9,956.2	14%
Energy and Utilities *	4,241.1	6%	3,938.3	5%
Financial Institutions *	4,229.3	6%	4,268.3	6%
Health and Care *	5,164.3	7%	4,684.7	6%
Information Technology *	2,919.9	4%	3,594.2	5%
Other *	4,800.6	7%	4,446.8	6%
Sub-total Equity Securities	39,666.4		39,451.0	
Debt Securities:				
Corporate Bonds (investment grade) *	1,096.5	2%	1,170.1	2%
UK Government *	8,150.6	12%	9,745.7	13%
Other *	1,468.3	2%	1,255.1	2%
Sub-total Debt Securities	10,715.4		12,170.9	
Private Equity				
All *	44.0	0%	370.6	1%
All	230.7	0%	295.2	0%
Sub-total Private Equity	274.7		665.8	
Real Estate:				
UK Property *	471.2	1%	0.0	0%
UK Property	2,695.9	4%	3,704.6	5%
Overseas Property *	93.4	0%	245.4	0%
Overseas Property	19.5	0%	0.7	0%
Sub-total Real Estate	3,280.0		3,950.7	
Investment Funds and Unit Trusts:				
Equities *	936.0	1%	0.0	0%
Equities	54.5	0%	0.0	0%
Bonds	2,035.7	3%	1,844.0	3%
Commodities	0.0	0%	803.3	1%
Infrastructure *	0.0	0%	164.1	0%
Infrastructure	10,019.8	14%	10,765.3	15%
Sub-total Investment Funds and Unit Trusts	13,046.0		13,576.7	
Derivatives:				
Foreign Exchange *	3.0	0%	(11.5)	0%
Sub-total Derivatives	3.0		(11.5)	
Cash and Cash Equivalents				
All *	3,320.5	5%	2,692.2	4%
Sub-total Cash and Cash Equivalents	3,320.5		2,692.2	
Total Fair Value of Employer Assets	70,306.0	100%	72,495.8	100%

Scheme assets marked with an asterisk (*) have quoted prices in current active markets or were in active markets 2023/24

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

21. DEFINED BENEFIT PENSION SCHEMES (Contd.)

21.7 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2024 were those from the beginning of the year (i.e. 31 March 2023) and have not been changed during the year. The main assumptions in the calculations are:

<u>Average future life expectancies at age 65:</u>		2022/23	2023/24
Current pensioners	male	19.9 years	20.9 years
Current pensioners	female	22.9 years	24.1 years
Future pensioners	male	21.2 years	21.8 years
Future pensioners	female	24.7 years	25.2 years
<u>Financial assumptions:</u>		2022/23	2023/24
Pension increase rate		2.95%	2.80%
Salary increase rate		3.45%	3.50%
Discount rate		4.75%	4.80%

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2024 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

To quantify the uncertainty around life expectancy, the Actuary has calculated the difference in cost to the Employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of broadly 3% to 5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominately apply at younger or older ages).

<u>Change in assumptions at 31 March 2024:</u>	Approximate % increase to Employer	Approximate Monetary Amount
0.1% decrease in Real Discount Rate	2.0%	921
1 year increase in member life expectancy	4.0%	2,082
0.1% increase in the Salary Increase Rate	0.0%	73
0.1% increase in the Pension Increase Rate	2.0%	863

21.8 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2025

	Assets	Obligations	Net (liability) / asset	
	£000	£000	£000	% of pay
Projected current service cost	0	(747)	(747)	(21.8%)
Total Service Cost	0	(747)	(747)	(21.8%)
Interest income on plan assets	3,459	0	3,459	100.6%
Interest cost on defined benefit obligation	0	(2,479)	(2,479)	(72.1%)
Total Net Interest Cost	3,459	(2,479)	980	28.5%
Total included in Profit or Loss	3,459	(3,226)	233	6.7%

The Board's estimated contribution to Lothian Pension Fund for 2024/25 is £0.605m

21.9 Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Following Lothian Pension Fund's Triennial Actuarial Review in 2023, employer pension fund contribution rates are now confirmed at 17.6% until 31 March 2027.

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

22. LEASES

Finance Lease

The Board has a lease of land and buildings, as listed below. Following adoption of IFRS16 from 2022/23, this lease is accounted for as a Finance lease.

17a South Gyle Crescent - offices		
	2022/23	2023/24
	£000's	£000's
The future minimum lease payments due in future years are:		
	Restated	
• Not later than 1 year	277	289
• Later than 1 year not later than 5 years	* 1,231	1,283
• Later than 5 years	1,353	1,012
	<u>2,861</u>	<u>2,584</u>

* The Finance lease obligation is increased by £266,000 to reflect the property lease repayment profile as at 31st March 2023.

Operating Leases

Prior to the adoption of IFRS16 for 2022/23, the Board's lease of land and buildings was accounted for as an operating lease.

The Board has three other operational leases. The leases and 2023/24 costs are : mobile phones/tablet devices (£9,610), a photocopying agreement (£3,797) and a pool vehicle (£2,634).

	2022/23	2023/24
	£000's	£000's
The future minimum lease payments due in future years are:		
• Not later than 1 year	3	3
• Later than 1 year not later than 5 years	-	-
• Later than 5 years	-	-
	<u>3</u>	<u>3</u>

Car Leases

The Board operates an employee car leasing scheme. There was one active lease in operation at 31st March 2024. Employees contributed £0.008m during 2023/24 towards the cost of car leasing. The Board is committed to paying the following sums in future years:

	2022/23	2023/24
	£000's	£000's
The future minimum lease payments due in future years are:		
• Not later than 1 year	7	2
• Later than 1 year not later than 5 years	3	0
	<u>10</u>	<u>2</u>

23. LONG TERM DEBTORS

The long term debtor is in respect of a cash incentive received by the Board on its relocation of offices to its new premises at 17a South Gyle Crescent. The cash incentive is amortised on a straight line basis over the term of the lease. A 25 year lease was entered into in December 2006, the remaining life amounts to 9 years, consequently £5,642 will be written to the Comprehensive Income and Expenditure Statement each year.

	2022/23	2023/24
	£000's	£000's
• Cash incentive:		
Balance at 1st April	56	51
Amortised to Comprehensive Income and Expenditure Statement	(5)	(6)
Balance at 31st March	<u>51</u>	<u>45</u>

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

24. OTHER LONG TERM LIABILITIES

The Board relocated to its current office in December 2006. As part of the agreement, the landlord agreed to pay a cash incentive of £0.400m on date of entry and £0.475m in 2011. This will be amortised on a straight line basis totalling £0.035m per annum over 25 years, the term of the lease.

	2022/23	2023/24
	£000's	£000's
Balance at 1st April	(350)	(315)
Amortised to Comprehensive Income and Expenditure Statement	35	35
Balance at 31st March	<u>(315)</u>	<u>(280)</u>

25. CONSTITUENT COUNCIL REQUISITIONS

The net expenditure of the Board is a charge upon the City of Edinburgh Council, West, East and Midlothian Councils. The division of net expenditure borne by the constituent councils is made in accordance with the Valuations Joint Boards (Scotland) Order 1995.

	Due for	Received	Due (to)/from
	2023/24	2023/24	Councils
	£000's	£000's	2023/24
			£000's
City of Edinburgh Council	3,774	3,774	0
Midlothian Council	562	469	94
East Lothian Council	680	680	0
West Lothian Council	1,147	1,147	0
	<u>6,163</u>	<u>6,070</u>	<u>94</u>

26. TAXATION AND NON-SPECIFIC GRANT INCOME

	2022/23	2023/24
	£000's	£000's
Government Grant - Elections Act 2022	<u>(20)</u>	<u>(89)</u>
	<u>(20)</u>	<u>(89)</u>

LOTHIAN VALUATION JOINT BOARD

NOTES TO THE ANNUAL ACCOUNTS

27. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

All Treasury Management is carried out on the Board's behalf by the City of Edinburgh Council. The Council complies with the CIPFA Prudential Code, and has adopted the CIPFA Treasury Management in the Public Services Code of Practice. The City of Edinburgh Council, on behalf of the Board, has overall risk management procedures that focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks.

The Board's activities expose it to a variety of financial risks which have been assessed in order to determine whether or not such risks have, in order to comply with financial instrument accounting requirements, an impact on these Annual Accounts. For all of the financial risks, the impact on Annual Accounts was found to be immaterial. Each risk is detailed below along with an explanation as to why there is no financial effect arising:

- Re-financing risk - the possibility that the Board might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms is considered immaterial because although the Board has powers to obtain loan finance, no such loans were held during the year;
- Market risk - the possibility that financial loss might arise for the Board as a result of changes in such measures as interest rate movements is considered immaterial because the finances of the Board are such that during the year there was no interest payable and interest receivable was immaterial;
- Credit risk - the possibility that other parties might fail to pay amounts due to the Board is considered immaterial on the basis of past experience and the fact that most debt payable to the Board is due from other public bodies;
- Liquidity risk - the possibility that the Board might not have funds available to meet its commitments to make payments is considered immaterial given the statutory responsibility that the Board has to have a balanced budget and that constituent authorities have to fund the activities of the Board;
- Price risk - the possibility that fluctuations in equity prices has a significant impact on the value of financial instruments held by the Board is considered immaterial because the Board does not generally invest in equity shares; and
- Foreign exchange risk - the possibility that fluctuations in exchange rates could result in loss to the Board is considered immaterial because there are no financial assets or liabilities held at the year end denominated in foreign currencies.

The Board holds its surplus funds with the City of Edinburgh Council and does not place external deposits in its own name. The balance held by and due from the City of Edinburgh Council at 31st March 2024 amounted to £0.864m (2022/23 £1.618m). No breaches of the Board's counterparty criteria occurred during the reporting period and the Board does not expect any losses from non-performance by any of its counterparties in relation to deposits. During the reporting period, the Board held no collateral as security.

LOTHIAN VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Lothian Valuation Joint Board (LVJB) aims to ensure best value and provide equitable, customer focussed, high quality, professional valuation and electoral services for all its stakeholders.

LVJB has responsibility for ensuring that it conducts its business in accordance with legislation and proper standards, and that public money is properly accounted for and expended to achieve maximum value. LVJB are committed to pursuing continuous improvement in the way in which services are delivered to attain organisational efficiency.

In discharging this responsibility, LVJB have established comprehensive arrangements for the governance of its activities and the operational exercise of its functions, which includes arrangements for the management and oversight of risk.

LVJB acknowledges its duty for ensuring that there is effective governance within the organisation and as such has developed a Code of Corporate Governance defined by three main principles.

Accountability

- as a public body, LVJB is held accountable to citizens and stakeholders;
- LVJB implements good practice in reporting, quality assurance and auditing;

Transparency

- processes, procedures and data are directly accessible to those who need them, and enough information is provided to understand and monitor them;
- LVJB engages with its stakeholders and helps them understand the services provided;

Effectiveness and Efficiency

- LVJB produces service oriented results while making the best use of its resources;
- LVJB operates in an environment of continuous improvement.

LVJB's internal Governance Committee provides assurance and quality control over the primary functions and services of the organisation. The Governance Strategy Group meets regularly to ensure consistency in respect of governance and service assurance matters. The responsibility for leading and directing the annual reviews of the effectiveness of LVJB's governance arrangements and providing ongoing oversight and robust challenge are City of Edinburgh Council (CEC) Internal Audit and external auditors, Audit Scotland.

This statement explains how Lothian Valuation Joint Board delivers good governance and reviews the effectiveness of those arrangements. It also includes a statement on internal financial control in accordance with proper practice.

The Board's Governance Assurance Framework

LVJB's governance framework comprises the culture, values, systems and processes by which the organisation is directed and regulated. It enables LVJB to monitor the attainment of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services in an efficient manner.

- Principle 1 - Behave with integrity, has strong ethical values and respects the rule of law;
- Principle 2 - Ensure openness and comprehensive stakeholder engagement;
- Principle 3 - Seek outcomes in terms of sustainable economic, social, and environmental benefits;
- Principle 4 - Determine interventions necessary to optimise the achievement of intended outcomes;
- Principle 5 - Develop capacity, including the capability of its leadership and the individuals within it;
- Principle 6 - Manage risk and performance through robust internal control and strong financial management;
- Principle 7 - Implement good practice in transparency, reporting, and audit to deliver effective accountability.

Internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, LVJB reflects the principles of the CIPFA/SOLACE framework - Delivering Good Governance in Local Government.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

While the system of internal control is designed to manage risk at a reasonable level it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

LVJB continues to maintain and promote the role of quality assurance within the organisation. Emphasis is placed on providing stakeholder confidence that the level of service provided meets expectation and offers additional protection against inaccuracies. The Governance Committee has overall scrutiny of all reported actions and recommendations.

Determining the Board's purpose, its vision for the local area and intended outcomes for the Community

The Board has communicated its vision in the Corporate and Service Plan. Delivery of the vision is the responsibility of the Board, the Assessor and Heads of Service. The Board has developed a partnership approach when working with other Authorities.

LOTHIAN VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT (Contd.)

Review of Effectiveness

The Board has put in place arrangements for monitoring each element of the framework and to provide evidence of compliance. A Principal Officer within Lothian Valuation Joint Board has been nominated to review the effectiveness of the arrangements and to report annually to the Board.

The review of the effectiveness of its governance framework including the system of internal financial control is informed by:

- the work of Internal Auditors, based on the delivery of one internal audit review each year, follow-up to confirm effective implementation of previous internal audit findings raised and the status of any open internal audit findings;
- the Assessor's Certificate of Assurance on internal control;
- the operation and monitoring of controls by Board Managers; and
- the External Auditors in their Annual Audit Report.

Throughout the year Elected Members and Officers have responsibility for the development and maintenance of the risk management framework and control and governance environment. These review mechanisms include:

- **The Lothian Valuation Joint Board** provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Board's performance.
- **Internal Audit** provides an independent and objective assurance service to the Board by delivering one audit each year and providing an opinion on the design and operating effectiveness of the key internal controls established to manage the Board's most significant risks.
- the **External Audit** undertaken by Audit Scotland and reported in the Annual Audit Report to the Board.
- **The Strategic, Operational and Project Risk Registers** are reviewed as part of the Board's Corporate and Service Plan. The Corporate and Service Plan is approved by the Board. Key risks are reported quarterly to the Board, financial risks through budget reports and service risks through the Assessors Progress report. This ensures that actions can be considered to effectively manage the Board's highest risks.
- **The Monitoring Officer** is responsible to the Board for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Internal Audit Opinion

Internal Audit concluded one review in 2023/24, which assessed the adequacy of design and operating effectiveness of the key controls established to enable LVJB to provide a high level of customer support and ensure that all records collected as part of this are managed appropriately. The Board received a report on the recommendations and the outcome of the audit on 23rd April 2024. Internal Audit found that there is a generally sound system of governance, risk management and control in place around the design of procedures in this area.

CIPFA Financial Management Code

A requirement of the Annual Governance Statement is to disclose compliance with the CIPFA Financial Management (FM) Code and identify any outstanding areas for improvement or change. The Code is designed to support good practice and assist local government organisations in demonstrating their financial sustainability and resilience, by setting out expected standards of financial management.

An assessment has been undertaken and the Board's financial management arrangements are assessed as being compliant with the FM Code.

LOTHIAN VALUATION JOINT BOARD

ANNUAL GOVERNANCE STATEMENT (Contd.)

Risk management, assessment and evaluation continues to be monitored via the Board's Governance Committee, Project Management Framework, Quality Assurance procedures and Corporate Leadership Team. This provides appropriate levels of assurance which are reviewed through our annual Internal and External audits and are incorporated in this Annual Governance Statement.

The Board has now formally adopted a hybrid model of working. Staff were provided with the opportunity to work occasionally, regularly or permanently from home with the necessary health and safety checks being undertaken to support their choice. The model gives staff a healthy work/life balance whilst enabling the organisation to maintain required service levels.

In 2022/23, the Board introduced the Continuous Improvement Programme (CIP - previously known as the Transformation and Cultural Change Programme, TCCP). The CIP will continue to build on the foundations of the transformation to date, seeking to simplify the message behind the drive for change;

“With clear understanding of our ongoing budget challenges, we will adopt a sustainable programme of continual improvement that provides increased cost and operational efficiency across all aspects of our valuation and electoral registration services. By supporting the creation of a positive work environment, delivery of these services will be carried out by investing in a motivated, skilled, and flexible staffing resource.”

Certification

In compliance with accounting practice, the Treasurer has provided the Assessor and Electoral Registration Officer with a statement on the adequacy and effectiveness of the Board's internal financial control system for the year ended 31st March 2024. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Board's internal control system.

A review was undertaken of the Schedule of Assurance prepared by management. The review did not identify any instances of non-compliance. During 2023/24, no significant Internal Audit findings were raised regarding the governance and scrutiny performed by the Board.

From this year's review there is evidence that the Code is operating effectively with overall compliance by the Board in all significant areas of its corporate governance arrangements.

Assessor and Electoral Registration Officer: Michael Wilkie

Date: _____

Convener of Lothian Valuation Joint Board: Tom Conn

Date: _____

LOTHIAN VALUATION JOINT BOARD

REMUNERATION REPORT

The Remuneration Report provides details of the Board's remuneration policy for its senior employees and states how remuneration arrangements are managed. Senior employees within the Board are defined as those having the responsibility for the management of the Board to the extent that they can direct or control the major activities of the Board. This includes activities involving the expenditure of money, during the year to which the report relates, whether solely or collectively with other persons.

As well as providing details of the Board's remuneration policy, the Remuneration Report will also show:

- Details of the number of employees whose remuneration was £50,000 or more, disclosed in pay bands of £5,000;
- Details of remuneration paid to senior employees of the Board for 2023/24;
- Details of the Board's senior employees who participate in the Local Government Pension Scheme, administered by the Lothian Pension Fund, and the benefits provided under the scheme.

1. Audit of Remuneration Report

Tables 4 to 9 on pages 43, 44 and 45 in the Remuneration Report will be audited by the Board's external auditor. The other sections in the Remuneration Report will be reviewed by the external auditor to identify material inconsistencies with the financial statements, or is inconsistent with knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

2. Remuneration Policy

The Lothian Valuation Joint Board is responsible for approving the remuneration level of the Assessor and Electoral Registration Office. The Scottish Joint Negotiating Committee (SJNC) for Local authority Services sets the salaries for the Chief Officials of Scottish local authorities and is responsible for agreeing annual inflationary increases. The post of Assessor and Electoral Registration Officer was reviewed at the creation of the Joint Board in 1996. Advice on such matters is received from the Human Resources Division of the City of Edinburgh Council and from the Executive Director of Corporate Services, City of Edinburgh Council.

The salaries of all other employees is set by reference to the Scottish Joint Council for Local Government Employees for all other categories of staff. The Board's Scheme of Delegation provides the Assessor and Electoral Registration Officer with delegated authority to appoint employees within agreed staffing and expenditure levels. The City of Edinburgh Council provides remuneration advice and assistance to the Board on request.

The Convener and Vice-Convener of the Board are remunerated by the Council of which they are a council member. The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended by the Local Governance (Scotland) Act 2004 (Remuneration and Severance Payments) Amendment Regulations 2015.

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

All other members of the Board are remunerated by the Council of which they are a council member.

The position of Chief Executive is provided and remunerated by the City of Edinburgh Council.

3. Pension Entitlement of Senior Employees

The Board's senior employees participate in the Local Government Pension Scheme (LGPS) administered by the Lothian Pension Fund. The LGPS became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls in to each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contribution rates were set at 6% for all non manual employees.

The tiers and members contributions rates for 2023/24 are as follows:

On earnings up to and including £25,300 (5.5%), on earnings above £25,301 and up to £31,000 (7.25%), on earnings above £31,001 and up to £42,500 (8.5%), on earnings above £42,501 and up to £56,600 (9.5%) and on earnings above £56,601 (12%).

LOTHIAN VALUATION JOINT BOARD

REMUNERATION REPORT (Contd.)

3. Pension Entitlement of Senior Employees (Contd.)

From April 2015, when allocating contribution rates to members, pensionable pay means the actual pensionable pay, regardless of hours worked.

There is no automatic entitlement to a lump sum for members who joined the scheme post April 2009. Members may opt to give up (commute) pension for lump sum or bigger lump sum up to the limit set by the Finance Act 2004.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation - assuming that the person left the related employment or service as at 31st March in the year to which the value relates.

The pension figures shown relate to the benefits that the person has accrued as consequence of their total local government service, and not just their current appointment.

4. Remuneration by Pay Band

Details of the Board's employees receiving more than £50,000 remuneration for the year, excluding employer's NI and pension contributions are:

Remuneration Band	Number of Employees	
	2022/23	2023/24
£50,000 - £54,999	4	1
£55,000 - £59,999	5	4
£60,000 - £64,999	-	3
£65,000 - £69,999	2	2
£70,000 - £74,999	2	-
£75,000 - £79,999	1	-
£80,000 - £84,999	-	3
£85,000 - £89,999	1	-
£90,000 - £94,999	-	-
£95,000 - £99,999	-	-
£100,000 - £104,999	-	-
£105,000 - £109,999	1	-
£110,000 - £114,999	-	-
£115,000 - £119,999	-	-
£120,000 - £124,999	-	-
£125,000 - £129,999	-	-
£130,000 - £134,999	-	-
£135,000 - £139,999	-	-
£140,000 - £144,999	-	1
Totals	16	14

5. Remuneration paid to Senior Employees

The table below details remuneration paid to senior employees within the Board. Senior Employees are defined as having the responsibility for management of the Board to the extent that they can direct or control the major activities of the Board. This includes activities involving the expenditure of money, during the year to which the report relates, whether solely or collectively with other persons.

Name and Post Title	Salary, Fees and Allowances 31 March 2023	Salary, Fees and Allowances 31 March 2024
	£	£
M Wilkie-Assessor and ERO (Appointed 17 October 2022)	107,072	144,833
Total	181,411	144,833

LOTHIAN VALUATION JOINT BOARD

REMUNERATION REPORT (Contd.)

6. Pension Entitlement of Senior Employees

<u>In-year pension contributions</u>	For year to 31 March 2023	For year to 31 March 2024
<u>Name and Post Title</u>	£	£
M Wilkie-Interim Assessor and ERO (Appointed 17 October 2022)	24,179	32,128
		Difference
<u>Accrued Pension Benefits</u>	As at 31 March 2024	from 31 March 2023
<u>Name and Post Title</u>	£'000	£'000
M Wilkie-Interim Assessor and ERO (Appointed 17 October 2022)	Pension 72	16
	Lump sum 122	29

All senior employees shown in the tables above are members of the Local Government Pension Scheme.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, not solely their current appointment.

7. Remuneration of Convener and Vice Conveners

The following table provides details of remuneration paid to the Board's Vice-Convener, excluding NI and Pensions.

<u>Name and Post Title</u>	Salary, fees and allowances £	Taxable Expenses £	Total Remun. 2023/24 £	Total Remun. 2022/23 £
T Conn-Convener (from 13 June 2022)	0	0	0	0
A Beal-Vice Convener (from 13 June 2022)	4,815	0	4,815	2,938
	4,815	0	4,815	3,994

8. Pension Entitlement of Convener and Vice Convener

<u>In-year pension contributions</u>	For year to 31 March 2023 *	For year to 31 March 2024
<u>Name and Post Title</u>	£	£
A Beal-Vice Convener	4,679	5,419
		Difference
<u>Accrued Pension Benefits</u>	As at 31 March 2024	from 31 March 2023
<u>Name and Post Title</u>		
A Beal-Vice Convener	Pension 0	n/a **
	Lump sum 0	n/a

* Calculated using full service cost to 31 March 2024
 ** Vice Convener Beal has less than 2 years in the pension scheme.

LOTHIAN VALUATION JOINT BOARD

REMUNERATION REPORT (Contd.)

9. Exit Packages

The following information details the number, and total cost, of exit packages agreed and approved by 31st March 2024, grouped in rising bands of £20,000 up to £100,000.

Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

Exit Packages Band	Number of Employees		Total Cost	
	2022/23	2023/24	2022/23	2023/24
£0 - £20,000	0	0	£ 0	£ 0
£20,001 - £40,000	0	0	0	0
£40,001 - £60,000	0	0	0	0
£60,001 - £80,000	0	2	0	136,835
£80,001 - £100,000	0	0	0	0
£100,000+	0	1	0	306,201
Totals	0	3	0	443,036

Costs are in respect of voluntary retirements were approved on the basis of Regulation 30 of the Pension Fund Regulations. Each business case met the Board's cost saving requirement and realised an overall ongoing annual saving of £288,000, as reported to the Board in the report Continual Improvement Programme on 12th June 2023.

10. Trade Union (Facility Time Publication Requirements) Regulations 2017

The Lothian Valuation Joint Board is required to report a range of information on facility time made available to its employees who are trade union representatives. For the reporting year 2023/24, the equivalent of 1.73 FTE (over 4 individuals) of paid facility time was made available, with an associated cost of £22,167. This sum equates to 0.46% of Lothian Valuation Joint Board's overall pay bill. Of the total time made available, no individual spent 100% of time during the year on trade union-related activities, only between 0% and 50%.

Assessor and Electoral Registration Officer:

Michael Wilkie

Date:

Convener:

Tom Conn

Date:

LOTHIAN VALUATION JOINT BOARD

INDEPENDENT AUDITOR'S REPORT

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

Report 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 Lothian Valuation Joint Board for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the annual accounts, including material accounting policy information. 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 2023/24 (the 2023/24 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Lothian Valuation Joint Board as at 31 March 2024 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 2023/24 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 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of Lothian 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 Lothian 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 Lothian Valuation Joint Board's 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 Lothian Valuation Joint Board's current or future financial sustainability. However, I report on Lothian Valuation Joint Board's 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 Lothian 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 Treasurer 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 Lothian 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 Lothian Valuation Joint Board's operations.

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

LOTHIAN VALUATION JOINT BOARD

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Lothian 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 Lothian Valuation Joint Board;
- inquiring of the Treasurer concerning Lothian 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 Lothian 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.

Report on other requirements

Opinion prescribed by the Accounts Commission on the audited part 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.

LOTHIAN VALUATION JOINT BOARD

INDEPENDENT AUDITOR'S REPORT (Contd.)

Opinions prescribed by the Accounts Commission on 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 part 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.

Christopher Gardner

Senior Audit Manager, Audit Scotland
102 West Port
Edinburgh
EH3 9DN

Date: _____

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10.00am, Monday 16th September 2024

Period 4 Financial Statement 2024/25

1. Recommendations

The Board is recommended to note:

- 1.1 the projected outturn position for 2024/25;
- 1.2 the forecast of a net reserve drawdown of £0.124m required to achieve a balanced budget for 2024/25 and
- 1.3 the final outturn will be reported when the Annual Accounts are reported to the Board during 2025.

Richard Lloyd-Bithell

Treasurer

Contact: Iain Shaw, Principal Accountant,

Finance and Procurement, Corporate Services Directorate, City of Edinburgh Council

E-mail: iain.shaw@edinburgh.gov.uk | Tel: 0131 469 3117

Period 4 Financial Statement 2024/25

2. Executive Summary

- 2.1 The forecast is for a net Reserve drawdown of £0.124m, based on the position at 31st July 2024. This represents a decrease of £0.016m from the net drawdown approved for the 2024/25 revenue budget and principally reflects the increased cost of the Local Government pay award for 2024/25, offset by reduced costs forecast for NDR Reform.

3. Background

- 3.1 The Board's Financial Regulations require presentation of quarterly expenditure monitoring statements. This report summarises the projected outturn at 31st March 2025, based on the position at 31st July 2024. The report has been prepared in consultation with the Assessor and ERO.

4. Main Report

- 4.1 The forecast is for expenditure of £6.529m on Assessor's services (core expenditure) and expenditure of £0.253m on Non-Domestic Rates Reform. A reserve drawdown of £0.256m will be required to meet core expenditure. Forecast expenditure on Non-Domestic Rates Reform will enable a contribution of £0.132m to the Board's earmarked balance to meet future NDR Reform costs.
- 4.2 The approved budget made provision of £0.148m for a 3% pay award. In August, a revised non-teaching pay offer was made to Local Government representative trade unions. The offer comprised a flat-rate uplift of £1,292 (based on a 37-hour week), or 3.6% increase, whichever is higher. The additional cost to the Board is estimated to be £50,000. Although the offer has not been accepted by all the trade union bodies, until further information is available, the additional cost is included in the forecast. An additional in-year Council requisition may be considered when the final cost and funding arrangements for the pay award are confirmed.
- 4.3 The forecast is for an underspend of £0.016m on employee costs, reflecting all employees anticipated to be in post for Lands Valuation, NDR Reform, Council Tax Valuation and Electoral Registration throughout 2024/25.

4.4 In April 2024, the Board received grant funding of £0.289m from the Department of Levelling Up, Housing and Communities for the Electoral Integrity Programme. This grant is forecast to be fully spent during 2024/25.

4.5 The table below compares projected expenditure for 2024/25 with the approved budget.

	Core Budget and Individual Electoral Registration			Non-Domestic Rates Reform Budget			Total		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
Expenditure									
Employee costs	4,867	5,024	157	426	253	(173)	5,293	5,277	(16)
Premises costs	598	598	0	0	0	0	598	598	0
Transport costs	51	51	0	0	0	0	51	51	0
Supplies & Services	993	993	0	0	0	0	993	993	0
Third Party Payments	140	140	0	0	0	0	140	140	0
Support Services	67	67	0	0	0	0	67	67	0
Gross Expenditure	6,716	6,873	157	426	253	(173)	7,142	7,126	(16)
Income									
Government Grant	(289)	(289)	0	0	0	0	(289)	(289)	0
Sales, Fees & Charges	(42)	(42)	0	0	0	0	(42)	(42)	0
Interest	(13)	(13)	0	0	0	0	(13)	(13)	0
Total income	(344)	(344)	0	0	0	0	(344)	(344)	0
Expenditure less Income	6,372	6,529	157	426	253	(173)	6,798	6,782	(16)
FUNDING									
Council Requisition	(6,273)	(6,273)	0	(385)	(385)	0	(6,658)	(6,658)	0
Reserve (Drawdown)/Contribution	(99)	(256)	(157)	(41)	132	173	(140)	(124)	16
NET EXPENDITURE	0	0	0	0	0	0	0	0	0

4.6 All costs and income will be subject to ongoing review throughout 2024/25.

4.7 The Board retains a General Reserve of £0.783m. Of this, £0.200m is retained to meet the Board's commitment to a minimum level of Unallocated Reserve of 3%. £0.430m is retained to meet future costs of NDR Reform. The remaining Unallocated Reserve is therefore £0.153m.

4.8 Based on the forecast, a reserve drawdown of £0.256m will be required to meet core expenditure in 2024/25. Expenditure on NDR Reform is forecast to result in a further contribution to the Earmarked Reserve of £0.132m, resulting in an Earmarked Reserve of £0.562m. Overall, the Board Reserve balance is forecast to be £0.659m.

	Unallocated Reserve £'000	Earmarked Reserve- NDR Reform £'000	Total Reserve £'000
31 st March 2024	353	430	783
Forecast Contribution/ (Drawdown 2024/25)	(256)	132	(124)
Balance 31st March 2025	97	562	659
<i>Minimum Reserve target (3%)</i>	<i>200</i>		<i>200</i>

- 4.9 The Reserve balance will be reviewed, including an analysis of future commitments for NDR Reform, when the Board is presented with a revenue budget for 2025/26 for approval on 3rd February 2025.
- 4.10 An update on the financial risks is included at Appendix 1.

5. Background reading/external references

- 5.1 [Revenue Budget 2024/25 and Indicative Financial Plan 2025/26 - 2026/27 – report to Lothian Valuation Joint Board](#), 5th February 2024

6. Appendices

- 6.1 Appendix 1 – Financial Risk Analysis

Appendix 1 – 2024/25 Financial Risk Analysis

Risk	Detail	Mitigation
Pay Award	The 2024/25 revenue budget makes provision for a pay award of 3%. Each additional 1% is estimated to cost £50,000.	The financial impact of the proposed Pay Award for 2024/25 is included in the current forecast.
Office Energy costs	Energy budgets are based on full office occupancy and include an uplift for anticipated price increases. Given the current volatility in energy costs, there is a risk of additional costs.	Ongoing tracking of cost throughout 2024/25. Liaison with City of Edinburgh Council Energy and Sustainability Team.
Funding for additional costs of Non-Domestic Rates Reform	The Local Government Settlement included funding of £0.385m, which the Board has received. There is a risk as to funding settlements in future years.	Ongoing liaison between the Scottish Assessor's Association and Scottish Government.
Elections/Referendums – budget risk £0.050m	The possibility of either elections or referendums being called within short timetables, or dual electoral events occurring within a year is a financial risk in terms of staff overtime or the use of short-term temporary staff to meet the demand placed on the electoral registration process.	Ongoing tracking of cost throughout 2024/25.
Economic Changes	An increase in the number of rateable value appeals would have a significant impact on staff resources to achieve disposal by the statutory date of 31 December 2024.	Legislative changes being progressed by the Scottish Government may mitigate this risk.
Council Tax Reform	Any major legislative change to Council Tax that impacts on the Board is unlikely to be managed within current budgetary provision.	Ongoing liaison with Scottish Assessor's Association and Scottish Government.

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