

LANARKSHIRE VALUATION JOINT BOARD  
ANNUAL ACCOUNTS  
2024/2025



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Lanarkshire Valuation Joint Board (herein after referred to as 'the Board') is comprised of Elected Members from its two constituent local authorities. The serving Members of the Board during financial year 2024/2025 were as noted below:

**South Lanarkshire Council**

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

**North Lanarkshire Council**

Councillor Jim Reddin (Depute Convener)  
Councillor Bob Burgess  
Councillor Lesley Jarvie  
Councillor Tom Johnston  
Councillor Anne Thomas  
Councillor Margaret Hughes  
Councillor Kenneth Duffy  
(until 11 October 2024)  
Councillor James McPhilemy  
(from 11 October 2024 until 19 December 2024)  
Councillor Nicky Shevlin  
(from 19 December 2024)

**Chief Officers**

Assessor and Electoral Registration Officer: Renzo Pacitti BSc MRICS  
(until 15 April 2024)

Christine Maxwell BSc MRICS  
(from 16 April 2024)

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

Clerk: Paul Manning  
(Chief Executive of South Lanarkshire Council)

Treasurer: Jackie Taylor  
(Executive Director of Finance and Corporate Resources, South Lanarkshire Council)

The management commentary provides an overview of the key messages in relation to the objectives and strategy of Lanarkshire Valuation Joint Board (the Board) and its financial performance for the year ended 31 March 2025. It also provides an indication of the issues and risks that may impact upon the Board's finances in the future.

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

### **Core Purpose, Vision, Service Function and Core Objectives**

The Board's previous Service Plan was approved at the Board meeting in March 2022 and covered the period April 2022 through to March 2025. A new Service Plan covering the period April 2025 through to March 2028 was approved by the Board in June 2025. The Plan incorporates the Board's Vision statement which is "to deliver quality in the work which we undertake, provide efficient services to all service users, and ensure completeness and accuracy of the Electoral Register, Valuation Roll and the Valuation (Council Tax) List".

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

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

### **Review of Performance**

The Board's performance against key performance indicator (KPI) targets during 2024/2025 is detailed below:

Of 2,080 new Council Tax entries added, 92% were completed within 3 months of the effective date against a target of 87%. 96% were completed within 6 months against a target of 92%.

Of 1,102 alterations to the non-domestic valuation roll, 48% were completed within 3 months of the effective date against a target of 77% and 74% were completed within 6 months against a target of 92%. The three-monthly and six-monthly targets were not met regarding non-domestic valuation, essentially due to the challenges presented by the shortage of experienced qualified staff, combined with the new processes in place to deal with the non-domestic proposals, and the requirement to provide draft valuations for 10% of the current valuation roll to the Scottish Government by the end of March 2025.

With regards to electoral registration, within the period 2024/2025, the principal activities centred on maintaining the completeness and accuracy of the registers. However, during this period a snap UK Parliamentary Election was called for the 4 July. In addition to this there were 2 local by-elections held in North Lanarkshire on the 10 October.

The annual canvass of electors 2024 was delayed until late August due to the snap election being called. It was run under canvass reform; data matching was used at the outset of the canvass to help identify those properties where the residents are more likely to have changed. All Electoral Registration Officers in Great Britain were required to match specified data they hold regards registered electors against the Department for Work and Pensions' Customer Information System (DWP CIS) dataset. This dataset is already used in the electoral registration process to verify an applicant's identity.

During the 2024 canvass, circa. 259,500 households were issued with a Canvass Communication A letter (CCA), which advised who was on the register and that unless there was a change in the household no return was required. A further stage to the reformed annual canvass process

involved the issuing of circa 61,000 Canvass Forms (CF) to households which did not match, during the aforementioned exercise. Furthermore, where no response was received a Canvass Communication B reminder letter (CCB) was issued to circa. 50,000 households. The household visit, the final element of the 2024 canvass, was able to proceed nearer the end of the year, with circa 36,600 properties being canvassed.

The canvass reforms also allowed for e-communications that included telephone and email contact. The canvass was concluded successfully, along with the Polling District and Polling Places Review, and the registers were published later than usual on 1 February 2025.

Rolling Registration activity, introduced in 2000 to assist in maintaining the Electoral Register, continued throughout 2024/2025 with the bulk of the registration applications being received via the central government online registration system ([www.gov.uk/register-to-vote](http://www.gov.uk/register-to-vote)).

More information on the Board's performance during 2024/2025 can be found on the Board's website at [www.lanarkshire-vjb.gov.uk](http://www.lanarkshire-vjb.gov.uk)

## Financial Performance

### Revenue

The Comprehensive Income and Expenditure Statement on page 21 summarises the total costs of providing services and the income available to fund those services. The Board set a net operating expenditure budget for 2024/2025 of £4.390 million to be funded by contributions from the two constituent local authorities. The budget was based on experience of expenditure and income levels during previous years and included a planned contribution from the Board's reserves of £0.400 million. This budget included funding received from the Scottish Government for the implementation of the Barclay Review.

In comparison to this revised 2024/2025 budget, the Board returned a surplus of income over expenditure of £0.500 million which, compared with the budgeted deficit of £0.400 million, meant there was £0.900 million of an improvement in the Board's position. This surplus excludes the accounting adjustments relating to pensions and short-term accumulating absences. In the main, the improved financial position reflected reductions in spend due to turnover of staff and ongoing recruitment difficulties in the sector.

The Table below compares the revised budget of the Board at the 31 March 2025. The difference between the net expenditure figure below and that reported in the Comprehensive Income and Expenditure Statement is due to the accounting adjustments, which are analysed in Note 5 Expenditure and Funding Analysis on page 31. Financing Charges in the table below includes Financing and Investment Income and Expenditure as detailed in the Net Expenditure Chargeable to General Fund column of Note 5 on page 31.

### Lanarkshire Valuation Joint Board Revenue Budget 2024/2025

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	£000	£000	£000
Employee Costs	3,316	2,534	782
Property Costs	202	108	94
Supplies and Services	159	182	(23)
Transport and Plant	10	11	(1)
Administration Costs	677	645	32
Payments to Other Bodies	31	30	1
Financing Charges	13	8	5
<b>Total Expenditure</b>	<b>4,408</b>	<b>3,518</b>	<b>890</b>
Income	(18)	(28)	10
<b>Net Expenditure</b>	<b>4,390</b>	<b>3,490</b>	<b>900</b>
<b>Funded by:</b>			
Contributions from Councils	(3,628)	(3,628)	0
Funding from Other Bodies	(362)	(362)	0
<b>Total</b>	<b>(3,990)</b>	<b>(3,990)</b>	<b>0</b>
<b>Surplus / (Deficit) for the Financial Year</b>	<b>(400)</b>	<b>500</b>	<b>900</b>

As noted in the table, the main underspend was in respect of employee costs, reflecting a combination of the turnover of staff and difficulties in the recruitment of staff. In addition, there is an over recovery in income from the interest received on the Board's revenue balances of the Board.

### **Balance Sheet**

The Board's Balance Sheet as at 31 March 2025 reported net assets of £2.047 million compared with net assets of £1.525 million as at 31 March 2024, a movement of £0.522 million during the year. This is due to the recognition of Right of Use assets (£0.444 million) and the liability (£0.482 million) in respect of leases. In addition, there is an increase in cash and cash equivalents reflecting the timing of spend across financial year end (£0.595 million).

Adding the surplus on the Balance Sheet as at 31 March 2024 (£0.500 million) to the Board's General Reserve carried forward from 2023/2024 (£1.975 million), gives the Board a closing General Reserve position of £2.475 million at the end of 2024/2025. This is shown in Note 5 Expenditure and Funding Analysis on page 31 and the Movement in Reserves Statement on page 23.

### **Pension Fund**

The disclosure requirements for pension benefits under International Accounting Standard 19 are detailed at Note 16. The appointed actuary assessed the Board's share of Strathclyde Pension Fund as a net asset of £nil as at 31 March 2025. This reflects the assumptions used by the actuary, including financial and demographic assumptions, resulting in a significant increase to the Pension Asset since the previous year.

The 2024/2025 pension reports provided by the actuary indicate an increased Asset (a surplus) for this year (compared to 2023/2024), and in line with IFRIC14, an asset ceiling has been applied. This reduced the Asset from £15.473 million to £0 and reflects the present value of employer future service costs less the present value of future employer contributions, over the future working lifetime of the active scheme.

The Pension Liability is indicative of a broad position however, the reader should be aware that the Board is meeting its pension costs on an annual basis.

Note 16: Defined Benefit Pension Schemes on page 37 provides more details on pensions including the factors affecting the pension asset such as assumptions about mortality, salary inflation, pension inflation and discount rates.

The Board's actuary has confirmed that the IAS19 Balance Sheet is based on financial market values and future market expectation indicators as at 31 March 2025 to comply with the standard.

### **Provisions, contingencies and write-offs**

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

### **Service Changes and Future Developments**

The Board noted the annual update of Lanarkshire Valuation Joint Board's Service Plan at its meeting of 6 March 2024. Such updates on the service plan are provided annually to the Board. Future developments being anticipated in the following service areas:

### **Electoral Registration**

Following the introduction of the Elections Act 2022, new legislative undertakings associated with the Act have included the introduction of Voter I.D. for certain elections and changes associated with the arrangements associated with overseas electors. Guidance on both matters are available from the Board website alongside forms to download or links to the Electoral Commission for more information. Work continued early 2024 on the preparation for the UK Parliamentary General

Election, which was then held on 4 July 2024. All tasks and procedures were undertaken timeously in line with the associated election plan & risk register.

### **Valuation: Non-domestic**

Work over the period 2024/2025 continued maintaining the valuation roll. The significant numbers of outstanding 2017 running roll appeals, the vast majority of which were lodged as a result of the pandemic, were dealt with before the disposal deadline of 31 December 2024. However, due to the shortage of experienced rating surveyors with the knowledge and expertise needed to deal with non-domestic rating work the task was onerous and impacted on expected service delivery and other planned work streams.

Regarding the 2023 Revaluation proposals of which circa 1,400 were received, Proposal Determination Dates (PDD's) were scheduled throughout the year. The last date for a PDD to be set for the 2023 Revaluation proposals being 30 September 2025.

In addition to the aforementioned workstreams, the Scottish Government required the Board to provide, a 1 in 10 sample (approx. 2,300 subjects), of draft 2026 Revaluation values, by the end of March 2025, causing further impact on service delivery.

New procedures, in relation to civil penalties, began in earnest in December 2024. These penalties are issued in response to the non-return of Assessor Information Notices. Board staff now manage the creation of the civil penalties together with the invoicing and mitigation of such penalties, through South Lanarkshire Council's sundry debtor's system. Due to the volume of Assessor Information Notices issued, alongside a possible 9 penalties for each notice, it has been recognised that our administration team's workload has increased dramatically.

### **Valuation: Domestic**

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

Regarding proposals, although we continue to receive large numbers to deal with, the number of proposals being converted to appeals is still comparatively low when compared to previous years. Recent changes to the proposal/appeals system have resulted in several proposals deemed invalid, being heard by the First-tier Tribunal then further appealed to the Upper Tribunal for Scotland. This new step in the appeal process has brought with it additional time and cost burdens which will have to be closely monitored.

In addition, the management team are fully aware of discussions with regards to a future Council Tax Revaluation and recognise that it is essential that early preparations are put in place to ensure that the Board have adequate resources to undertake such a task.

### **Financial Outlook**

Most economic commentators forecast that pressures on public finances will continue for the foreseeable future. The Board recognises the impact of this difficult financial climate on its constituent authorities and consequently it continues to seek to generate efficiencies where possible. The Board's Budget was updated in December 2024 and refreshed the Strategy into 2025/2026. A Medium-Term Financial Strategy for 2026/2027 to 2028/2029 was presented to the Board in June 2025. The Financial Strategy assists in managing several key risks which directly impact on the funding available to deliver the Board's objectives. It also identifies a future strategy in respect of financial reserves and future work to be done by the Board to manage financial pressures.

The Budget for 2025/2026 was approved in December 2024 and included assumptions in relation to pay award and use of reserves. The revised expenditure budget totals £4.082 million and is funded by contributions from councils (including the Barclay allocations) and the use of Reserves (£1.000 million).

Early indications are that due to employee turnover, the forecast use of Reserves for the year is £0.800 million, rather than the budgeted £1.000 million. Taking this into account will leave £1.675

million in Reserves for future years. This equates to 36% of the Board's annual budget for 2025/2026.

The Table below summarises the impact on Reserves across 2025/2026 and the 3 years of the new 2026/2027 to 2028/2029 Strategy. It shows that in the final year of the Strategy (2028/2029), the Board will have utilised all of the Reserves balance available. Moreover, there will be a shortfall in that year as the required use of Reserves in 2028/2029 is £0.645 million but there are only Reserves available of £0.158 million.

#### **Reserves Forecast and Strategy – June 2025**

	2025/2026 £m	2026/2027 (year 1) £m	2027/2028 (year 2) £m	2028/2029 (year 3) £m
Opening Balance	2.475	1.675	0.702	0.158
Transfer to Reserves / (Utilisation of Reserves)	(0.800)	(0.973)	(0.544)	(0.158)
Closing Balance	1.675	0.702	0.158	0.000

In order to reduce this reliance on reserves, and manage the shortfall anticipated, the Board need to reduce costs in the years up to 2028/2029. This cost reduction will need to be considered alongside workload and staffing requirements. There is also the potential that further funding may become available for Council Tax valuations in future, however there is no estimate of any value at this time or what additional workload and staffing requirements will be required for this valuation work.

A review will be undertaken on the reliance on Reserves into 2026/2027 and will include planning scenarios on how the estimated future funding shortfall can be managed, while minimising the impact on statutory duties. The risk of the removal of Barclay funding will form part of this consideration.

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

#### **Risks and Uncertainties**

The Board noted the Risk Register Update 2025 at its meeting in March 2025. The main risks highlighted are the continued difficulties faced in recruiting and retaining qualified valuation staff, and the uncertainty surrounding the funding going forward, for the duties brought about by the Barclay review into non-domestic rates, particularly the 3 yearly revaluations.

In respect of the first highlighted risk, following discussions with South Lanarkshire Council's Personnel Services, a review of the salary being paid to the Board's graduate surveyors was undertaken. A program of appropriate in-house training has meant that our graduate trainee valuers are now able to undertake the outstanding workload associated with the 2023 Revaluation proposals and further analysis work to enable the 2026 Revaluation work to proceed. In addition, the training has enabled our graduate surveyors to submit their final paperwork to the Royal Institution of Chartered Surveyors to gain membership.

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

#### **Working Practices**

Working arrangements are hybrid, where employees split their time between the office and their home. However, where a business need is identified, staff are required to attend the office every day.

#### **Conclusion**

Despite the ongoing challenges with regards to the recruitment and retention of qualified staff, performance overall was positive across all 3 main business areas, albeit the non-domestic performance targets were not met.



Sound financial management and medium-term planning has enabled the Board to successfully manage the financial challenges faced during the financial year 2024/2025. However, there remain several challenges going forward, not least those posed by 3 yearly non-domestic revaluations: the next being 1 April 2026. The impact of changes to the non-domestic appeals system, not yet fully realised; only once the Proposal Determination Date's are set and decision notices issued, will the conversion rate of proposals to full appeals be known.

We wish to acknowledge the significant efforts of all staff contributing to the Board's operational performance, of budget managers and support staff whose financial stewardship have contributed to the Board's financial position as at 31 March 2025, and to everyone involved in the preparation of the Annual Accounts.

**Jackie Taylor**  
**Treasurer**

**Christine Maxwell**  
**Assessor and ERO**

**Cllr Walter Brogan**  
**Convener**

## **Statement of Responsibilities**

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

### **The Board's Responsibilities**

The Board is required to:

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

I confirm that these Annual Accounts were approved for signature by the Board at its meeting on 1 December 2025.

**Councillor Walter Brogan**  
**Convener of Lanarkshire Valuation Joint Board**

## **The Treasurer's Responsibilities**

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the annual accounts give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2025.

**Jackie Taylor**  
**Treasurer of Lanarkshire Valuation Joint Board**

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

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

### **Scope of Responsibility**

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

### **Governance Framework**

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

The main features of the Board's Corporate Governance arrangements are:-

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

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

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

- Financial management supported by Financial Regulations;
- Detailed budgeting systems;
- Regular reviews of periodic and annual financial reports which compares financial forecast information against the annual budgets;

- Setting targets to measure performance, including financial performance;
- The preparation of regular financial reports that consider forecast expenditure levels, as well as actual expenditure and income against the annual budget; and
- A range of policies such as the Counter Fraud, Bribery and Corruption Policy. These continue to be updated to reflect best practice and support a culture of ethical behaviour amongst employees and councillors.

On 2 June 2025, the Board considered the adequacy and effectiveness of the Board's governance arrangements and internal control environment and approved the Annual Governance Statement and Accounts.

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

### **Financial Sustainability and Reserves**

The 2025/2026 Budget Strategy paper presented to the Board in December 2024 referenced the level of Reserves and a plan for their use moving forward, across financial years 2024/2025 and 2025/2026. A Medium-Term Financial Strategy was then presented to the Board on 2 June 2025, which similarly noted the level and adequacy of reserves, and detailed a plan to utilise those to sustain the Board's budget over the next 3 years.

### **Review of Effectiveness**

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

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

The Internal Audit Manager provides an annual report to the Board and an audit opinion on the adequacy and effectiveness of the Board's governance, risk management and internal control systems based on audit work undertaken in the year. The annual report for 2024/2025 was presented to the Board on 2 June 2025. In 2024/2025, the Internal Audit opinion is that, overall, reasonable assurance can be placed on the adequacy and effectiveness of Lanarkshire Valuation Joint Board's framework of governance, risk management and control arrangements for the year ending 31 March 2025.

### **Statement on the Role of the Chief Financial Officer**

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

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

### **Continuous Improvement**

As part of the annual audit review, recommendations are provided which not only assist management to improve their control environment, but also provide an assessment of the adequacy of existing systems and procedures, including highlighting any necessary improvements to maintain and improve the Board's governance arrangements going forward. The [External Auditor's Annual Report to the Board 2023/2024](#) did not identify any Governance actions for implementation during 2024/2025.

## Working Practices

Agile working practices include home/office blended working arrangements, and sourcing more information digitally with the continued use of electronic communications, where deemed appropriate. Where a business need is identified, staff are required to attend the office every day.

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

## Assurance

In conclusion, there were no significant weaknesses identified in the Annual Audit Report relating to improvements requiring action in 2024/2025. Systems are in place to continually review and improve the control environment and governance arrangements operated by the Board.

The effectiveness of governance is dependent on the actions of officers of the Board and by the work of Internal and External Audit. It is the Board's view that the governance arrangements were effective during financial year 2024/2025.

## Significant Governance Areas

The Board's management team identifies risks to which the Lanarkshire Valuation Joint Board is exposed, and documents the controls in place to help mitigate each risk. At the latest review in January 2025, 4 risks were deemed high but are mitigated by these controls, and are summarised in the table below.

Risk	Classification	Key Risk	Description of Risk	Controls in Place
1	Operational, Continuity and Performance	Lack of central IT support.	Lack of central IT support for the Board provided by constituent authorities.	1) Service Level Agreement (SLA) with constituent authority in place. 2) IT Business Systems Manager and an IT Team Leader attend relevant part of the Board's monthly Management Team meetings.
2	Financial	Insufficient budget from SLC/NLC.	Insufficient budget from SLC/NLC could lead to statutory duties not being undertaken.	1) Realignment of budgets. 2) Quarterly meeting with Treasurer to the Board to discuss budgetary matters. 3) Notification to Clerk as part of budget planning. 4) Notification to the board as part of budget planning. 5) Monitor revenue budget at monthly management meetings. 6) Three-year budgetary planning.
3	People	Failure to recruit and or retain valuation staff.	Failure to retain or recruit staff, including those with appropriate qualifications.	1) Work life balance, conditions of service, personnel policies and job families regularly reviewed. 2) PDR process in place. 3) Recruitment of trainee valuers employed when

<b>Risk</b>	<b>Classification</b>	<b>Key Risk</b>	<b>Description of Risk</b>	<b>Controls in Place</b>
			Inability to match work life balance, conditions of service, personnel policies, salaries of other valuation joint boards, local authorities, constituent authorities or private sector.	<p>appropriate, with structured training plan in place.</p> <p>4) Existing staff offered appropriate training, including training towards professional qualifications where deemed appropriate.</p> <p>5) Ongoing monitoring of grading matrix alongside key duties to ensure fair and equal pay with lead authority to retain staff.</p> <p>6) Review of structure, to deploy employees effectively to ensure statutory duties are met.</p> <p>7) Ongoing discussions with Personnel in relation to recruitment issues.</p>
4	Financial	Lack of funding for new duties associated with the Barclay review into non-domestic rates	Insufficient funding for new duties could lead to difficulties in delivery of statutory undertakings. There is no detail on future years' funding from the Scottish Government for such duties.	<p>1) Risk to the new statutory duties has previously been raised and continues to be discussed with Scottish Government officials, and directly with the Minister for Public Finance.</p> <p>2) Three yearly budget planning assists with the identification of when funding levels become critical to service delivery.</p>

**Christine Maxwell**  
Assessor and ERO

**Councillor Walter Brogan**  
Convener

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

### Introduction

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

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

### Senior Employees

The remuneration of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Officers of Scottish local authorities. COSLA Industrial Relations Circular 11-23b sets the amount of salary for Chief Officers for 2024/2025.

### Senior Councillors

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

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended most recently by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2024 (SSI 2024/24). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. These regulations also set out the amounts a councillor may be paid for being a Convener or Depute Convener of a Joint Board. This is inclusive of any amount payable to them as either a Councillor or Senior Councillor.

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

### Trade Unions (Facility Time Publication Requirements) Regulations 2017

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

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



### General Pay Bands for Senior Employees

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

**Table 1 - General Pay Band Disclosure for Senior Employees**

Annual Remuneration	Number of Employees	Number of Employees
£	2024/2025	2023/2024
50,000 – 54,999	1	5
55,000 – 59,999	2	3
60,000 – 64,999	3	0
65,000 – 69,999	0	0
70,000 – 74,999	0	1
75,000 – 79,999	1	0
80,000 – 84,999	1	1
85,000 – 114,999 (Note 1)	0	0
115,000 – 119,999	0	1
120,000 – 129,999 (Note 1)	0	0
130,000 – 134,999	1	0

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

### Disclosure of Remuneration

Tables 2 and 3 provide details of the remuneration paid to the Board's senior employees, Convener and Depute Convener. Comparative figures for 2023/2024 have been shown.

**Table 2 – Senior Employees**

Name / Post	Salary / Fees	Taxable Expenses	Compensation for Loss of Office	Any other Remuneration	2024/2025 Total	2023/2024 Total
<b>G Bennett</b> Assessor and Electoral Registration Officer (To 31 May 2023)	n/a	-	-	-	n/a	£22,000 (Full Time Equivalent £133,535)
<b>R Pacitti</b> Assistant Assessor and Electoral Registration Officer	n/a	-	-	-	n/a	£15,631 (Full Time Equivalent £81,594)
Assessor and Electoral Registration Officer (To 15 May 2024)	£5,736 (Full Time Equivalent £135,937)	-	-	-	£5,736 (Full Time Equivalent £135,937)	£103,973 (Full Time Equivalent £129,224)
<b>C Maxwell</b> Assistant Assessor and Electoral Registration Officer (To 15 May 2024)	£3,563 (Full Time Equivalent £84,438)	-	-	-	£3,563 (Full Time Equivalent £84,438)	£81,594
Assessor and Electoral Registration Officer (From 15 May 2024)	£128,240 (Full Time Equivalent £133,729)				£128,240 (Full Time Equivalent £133,729)	

Name / Post	Salary / Fees	Taxable Expenses	Compensation for Loss of Office	Any other Remuneration	2024/2025 Total	2023/2024 Total
<b>J Dell</b> Assistant Assessor and Electoral Registration Officer	£81,938	-	-	-	£81,938	£37,923 (Full Time Equivalent £79,182)
<b>Total</b>	<b>£224,724</b>	-	-	-	<b>£224,724</b>	<b>£261,121</b>

The senior employees included in Table 2 include any Board employee:

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

**Table 3 – Conveners and Depute-Conveners**

Name / Post	Salary / Fees	Taxable Expenses	Compensation for Loss of Office	Any other Remuneration	2024/25 Total	2023/24 Total
W Brogan Convener	£5,575	-	-	-	£5,575	£5,029
J Reddin Depute Convener	£4,007	-	-	-	£4,007	£3,773
<b>Total</b>	<b>£9,582</b>	-	-	-	<b>£9,582</b>	<b>£8,802</b>

### Pension Rights

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

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

From 1 April 2009, a five-tier contribution system was introduced with contributions from scheme members based on how much pay falls into each tier. This is designed to give more equality between the costs and benefits of scheme membership. Under The Local Government Pension Scheme (Scotland) Regulations 2014, the earnings ranges used to determine annual contribution rates are to be increased each year by any increase applied to pensions under the Pensions (Increase) Act 1971. In accordance with this the salary bands for 2023/2024 were uprated by the Consumer Price Index (CPI) increase for 2024/2025.

The member contribution rates and tiers for 2024/2025 are shown in Table 4 along with those that applied in 2023/2024.

**Table 4 – Pension Contribution Rates**

<b>Pensionable Pay</b>	<b>Contribution rate 2024/2025</b>	<b>Pensionable Pay</b>	<b>Contribution Rate 2023/2024</b>
On earnings up to an including £27,000	5.50%	On earnings up to an including £25,300	5.50%
On earnings above £27,000 and up to £33,000	7.25%	On earnings above £25,300 and up to £31,000	7.25%
On earnings above £33,000 and up to £45,300	8.50%	On earnings above £31,000 and up to £42,500	8.50%
On earnings above £45,300 and up to £60,400	9.50%	On earnings above £42,500 and up to £56,600	9.50%
On earnings above £60,400	12.0%	On earnings above £56,600	12.0%

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

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

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

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

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

The Pension entitlement of Senior Employees for the year to 31 March 2025 are shown in the Table 5, together with the contribution made by the Board to each senior employees' pension during the year. The accrued pension benefit reflects both the employer and employee contributions.

**Table 5 – Pension Benefits: Senior Employees**

<b>Name / Post</b>		<b>Accrued Pension Benefits March 2025</b>	<b>Movement in accrued pension benefits since 31 March 2024</b>	<b>Pension Contribution made by Board 2024/2025</b>	<b>Pension Contribution made by Board 2023/2024</b>
<b>G Bennett</b> Assessor and Electoral Registration Officer (To 31 May 2023)	Pension Lump Sum	n/a n/a	n/a n/a	£0	£4,246
<b>R Pacitti</b> Assessor and Electoral Registration Officer (to 15 April 2024)	Pension Lump Sum	£67,283 £110,629	£1,494 (£6,653)	£714	£23,083

<b>Name / Post</b>		<b>Accrued Pension Benefits March 2025</b>	<b>Movement in accrued pension benefits since 31 March 2024</b>	<b>Pension Contribution made by Board 2024/2025</b>	<b>Pension Contribution made by Board 2023/2024</b>
<b>C Maxwell</b> Assistant Assessor and Electoral Registration Officer (From 6 April 2022)	Pension Lump Sum	£57,202 £90,006	£20,148 £35,153	£8,567	£15,748
<b>J Dell</b> Assistant Assessor and Electoral Registration Officer (From 9 October 2023)	Pension Lump Sum	£37,341 £48,010	£3,227 £4,369	£5,326	£7,319
<b>Total</b>				<b>£14,607</b>	<b>£50,396</b>

**Table 6 – Pension Benefits: Conveners and Depute Conveners**

<b>Name / Post</b>	<b>Pension Contribution made by Board 2024/2025</b>	<b>Pension Contribution made by Board 2023/2024</b>
W Brogan, Convener	£362	£971
J Reddin, Depute Convener	£260	£729

#### **Exit Packages**

There were no exit packages agreed or paid for in 2024/2025 or 2023/2024.

**Christine Maxwell**  
Assessor and ERO

**Councillor Walter Brogan**  
Convener

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

<b>2023/2024</b>		<b>2024/2025</b>	<b>Note</b>
<b>Actual</b>		<b>Actual</b>	
<b>Restated</b>			
<b>£000</b>		<b>£000</b>	
2,909	Employee Costs	2,748	
208	Property Costs	108	
115	Supplies and Services	182	
5	Transport and Plant	11	
598	Administration Costs	623	
30	Payments to Other Bodies	30	
58	Financing Charges (Note a)	145	
<b>3,923</b>	<b>Total Expenditure</b>	<b>3,847</b>	
(4,075)	Income	(4,018)	
<b>(152)</b>	<b>Net Cost of Services</b>	<b>(171)</b>	
(80)	Financing and Investment Income and Expenditure (Note a)	(69)	21
<b>(232)</b>	<b>(Surplus)/Deficit on the Provision of Services</b>	<b>(240)</b>	
282	Re-measurement of the Net Defined Benefit (Asset)/Liability	(282)	16
<b>282</b>	<b>Other Comprehensive Income and Expenditure</b>	<b>(282)</b>	
<b>50</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(522)</b>	

Note a: An amount of £0.088 million, in respect of interest received on revenue balances, has been restated in 2023/2024 from Financing Charges to Financing and Investment Income and Expenditure, as detailed in Note 2, page 29. The surplus on the Provision of Services does not change, this is a change to presentation only.

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

<b>31 March 2024</b>		<b>31 March 2025</b>	<b>Note</b>
<b>£000</b>		<b>£000</b>	
	<b>Non-Current Assets:</b>		
113	Property, Plant and Equipment	557	11,12
0	Pension Asset	0	16
<b>113</b>	<b>Total Non-Current Assets</b>	<b>557</b>	
	<b>Current Assets:</b>		
106	Short Term Debtors	66	13
1,992	Cash and Cash Equivalents	2,587	
<b>2,098</b>	<b>Total Current Assets</b>	<b>2,653</b>	
	<b>Current Liabilities:</b>		
(193)	Short Term Creditors	(246)	14
-	Short Term Lease Liability	(78)	11
<b>(193)</b>	<b>Total Current Liabilities</b>	<b>(324)</b>	
<b>2,018</b>	<b>Total Assets less Current Liabilities</b>	<b>2,886</b>	
	<b>Long Term Liabilities</b>		
(493)	Pension Liability	(435)	16
-	Long Term Lease Liability	(404)	11
<b>(493)</b>	<b>Total Long Term Liabilities</b>	<b>(839)</b>	
<b>1,525</b>	<b>Total Assets less Liabilities</b>	<b>2,047</b>	
	<b>Financed By:</b>		
	<b>Unusable Reserves</b>		
(493)	Pension Reserve	(435)	19
(70)	Accumulating Compensated Absences Reserve	(68)	19
113	Capital Adjustment Account	75	19
	<b>Usable Reserves</b>		
1,975	General Fund Reserve	2,475	19
<b>1,525</b>		<b>2,047</b>	

The notes on pages 27 to 42 form part of the financial statements.

The unaudited accounts were approved for issue by the Board on 2 June 2025, and the audited accounts were authorised for issue on 1 December 2025. The audited accounts are signed on behalf of the Board by:

**Jackie Taylor**  
Treasurer of Lanarkshire Valuation Joint Board

## Movement in Reserves Statement for the year ended 31 March 2025

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

	<b>General Fund Balance</b>	<b>Total Usable Reserves</b>	<b>Unusable Reserves</b>	<b>Total Reserves</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance as at 31 March 2024</b>	<b>1,975</b>	<b>1,975</b>	<b>(450)</b>	<b>1,525</b>
<b>Movement in Reserves during 2024/2025</b>				
Surplus on the provision of services	240	240	-	240
Other comprehensive income and expenditure	-	-	282	282
<b>Total comprehensive income and expenditure</b>	<b>240</b>	<b>240</b>	<b>282</b>	<b>522</b>
Adjustments between accounting basis and funding basis (note 5)	260	260	(260)	0
Net increase before transfers to / from other statutory reserves	500	500	22	522
Transfers to / from other statutory reserves	-	-	-	-
<b>Increase / (Decrease) in 2024/2025</b>	<b>500</b>	<b>500</b>	<b>22</b>	<b>522</b>
<b>Balance as at 31 March 2025</b>	<b>2,475</b>	<b>2,475</b>	<b>(428)</b>	<b>2,047</b>

## Movement in Reserves Statement for the year ended 31 March 2024

	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000
<b>Balance as at 31 March 2023</b>	<b>1,721</b>	<b>1,721</b>	<b>(146)</b>	<b>1,575</b>
<b>Movement in Reserves during 2023/2024</b>				
Surplus on the provision of services	232	232	-	232
Other comprehensive income and expenditure	-	-	(282)	(282)
<b>Total comprehensive income and expenditure</b>	<b>232</b>	<b>232</b>	<b>(282)</b>	<b>(50)</b>
Adjustments between accounting basis and funding basis (note 5)	22	22	(22)	0
Net increase before transfers to / from other statutory reserves	254	254	(304)	(50)
Transfers to / from other statutory reserves	-	-	-	-
<b>Increase / (Decrease) in 2023/2024</b>	<b>254</b>	<b>254</b>	<b>(304)</b>	<b>(50)</b>
<b>Balance as at 31 March 2024</b>	<b>1,975</b>	<b>1,975</b>	<b>(450)</b>	<b>1,525</b>



## Cash Flow Statement

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

- The level of net cash arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of taxation and grant income or from service users and constituent authorities.
- Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery.
- Cash flows arising from financing activities are useful in predicting claims on future cash flows in respect of leasing.

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

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>		<b>£000</b>
232	Surplus/(Deficit) on the Provision of Services	240
(143)	Adjust Surplus/(Deficit) on the Provision of Services for non-cash movements	424
89	Adjust for items included in the Surplus/(Deficit) on the Provision of Services that are investing and financing activities	0
<b>178</b>	<b>Net cash flows from operating activities</b>	<b>664</b>
0	Investing Activities	0
0	Financing Activities	(69)
<b>178</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>595</b>
1,814	Cash and cash equivalents at 1 April	1,992
<b>1,992</b>	<b>Cash and cash equivalents at 31 March</b>	<b>2,587</b>

## Cash Flow Statement Note – Non Cash Movements

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

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>		<b>£000</b>
22	Depreciation, impairment and amortisation of assets	107
(6)	Movement in Debtors	40
(70)	Movement in Creditors	55
4	Movement in Pension Liability	224
(4)	Movement in the Employee Statutory Adjustment Account	(2)
-	Movement in the Flexible Working Scheme Adjustment Account	-
(89)	Interest received	-
<b>(143)</b>	<b>Net Cash flows from the provision of services for non-cash movements</b>	<b>424</b>

## Cash Flow Statement Note – Financing Activities

The cash flows for financing activities include the following item:

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>		<b>£000</b>
0	Cash payments for the reduction of the outstanding liabilities relating to leases	(69)
<b>89</b>	<b>Net cash flows from financing activities</b>	<b>(69)</b>

## Cash Flow Statement Note – Cash and Cash Equivalents

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

<b>2023/2024</b>		<b>2024/2025</b>
<b>£000</b>		<b>£000</b>
1,992	Short term deposits	2,587
<b>1,992</b>	<b>Total Cash and Cash Equivalents</b>	<b>2,587</b>

## **Note 1: Accounting Policies**

### **General Principles**

Lanarkshire Valuation Joint Board is required to prepare annual accounts by the Local Authority Accounts (Scotland) Regulations 2014, section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. The general policies adopted in compiling and presenting the Accounts are those recommended by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/2024 issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC), supported by International Financial Reporting Standards (IFRS). There are no significant departures from those recommendations.

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

### **Debtors and Creditors**

#### **Accruals basis**

The Comprehensive Income and Expenditure Statement is compiled on an accruals basis. Income and expenditure activities are accounted for in the year in which they take place, not simply when payments are made or received. Where goods and services have been sold but the income not received by 31 March 2025 or goods have been received but not paid for by 31 March 2025 then the Comprehensive Income and Expenditure Statement has been amended to reflect the outstanding amounts and a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

#### **(i) Debtors**

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

#### **(ii) Creditors**

Sundry Creditors are accrued on the basis of payments made during the first three weeks following 31 March 2025; together with specific accruals in respect of further material items.

#### **(iii) Accumulating Compensated Absences**

International Accounting Standard 19 (IAS19) states that 'an organisation should account for employment benefits when employees earn them and the authority is committed to providing them, even if the actual provision might be in future years.' All salaries and wages earned up to 31 March 2025 are included irrespective of when actual payments were made. The requirements of IAS 19 have been fully applied in the current year, in respect of annual leave provision, including recognition of the net liability and an accumulating compensated absences reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Statement for movements in the liability relating to the scheme.

#### **(iv) Pension Costs**

The Board participates in the Local Government Superannuation Scheme (Strathclyde Pension Fund), which is administered by Glasgow City Council.

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

While the requirements of IAS19 have been fully applied in the current year, the Pension report provide by the actuary has indicated a significant net Asset (a surplus). The significant nature of the Asset has been reviewed, and in line with IFRIC14, the asset has been de-recognised to equate to the level of the asset ceiling, provided by the Fund's actuary. This reflects the net present value of future service costs less the net present value of future obligations over the future working lifetime as at 31 March 2025. This derecognition has been applied through the Comprehensive Income and

Expenditure Statement. Previous year budget and expenditure information has been provided to allow comparability.

In assessing liabilities for retirement benefits for the 2024/2025 Annual Accounts (included in the net asset), a discount rate based on the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme was used. The Actuary has advised that a rate of 5.8% per annum is appropriate (2023/2024 – 4.85%).

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

#### **(v) Allocation of Central Support Expenses**

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

#### **(vi) Borrowing Facilities**

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

#### **(vii) Financial Instruments**

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

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

#### **(viii) Agency Relationship**

Where the Board is acting as an agent for another party (for example in the collection of Civil Penalties), income and expenditure are recognised only to the extent that commission is receivable by the Board for the agency service rendered or the Board incurs expenses directly on its own behalf in rendering the services.

#### **Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Board as a result of past events (for example, software licences) is capitalised when it is expected that it will bring benefits to the Board for more than 12 months.

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

#### **Leases**

The Board adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (where any leased equipment and property were not recognised as an asset, and future rents were not recognised as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. The Board has elected to apply recognition exemptions to low value assets (below £0.010 million when new) and to short-term leases (existing leases that expire on or before 31 March 2025), and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In transitioning to IFRS16 the Board elected to use the Modified Retrospective Approach. This approach allows entities to adopt the standard without restating prior periods, recognising the cumulative effect of the new leases standard as an adjustment to opening balances.

This approach involved:

- Calculating lease liabilities at the transition date, as the present value of remaining lease payments discounted at the incremental borrowing rate.
- Recognising a right of use asset, equal to the lease liability (adjusted for prepayments/accruals).
- Recognise any difference between assets and liabilities in opening reserves (typically the General Fund Reserve).

## **Property, Plant and Equipment**

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

### **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset e.g. repairs and maintenance is charged as an expense when it is incurred.

### **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

### **Depreciation**

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

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

## **Note 2: Prior Period Adjustments**

An amount of £0.088 million, in respect of interest received on revenue balances, has been restated in 2023/2024 from Financing Charges to Financing and Investment Income and Expenditure, without impacting the reported Surplus on the Provision of Services. This restatement is in line with the Code of Practice on Local Authority Accounting in the UK and now accounts for this figure correctly in the accounts for both years.

The restatement is included in the Comprehensive Income and Expenditure Statement (CIES) on page 21; the Expenditure and Funding Analysis on page 31; and Note 21 CIES Financing and Investment Income on page 43.

There are no other prior period adjustments included within the 2024/2025 Annual Accounts.

### **Note 3: Accounting Standards Issued but Not Adopted**

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

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by The Code and are not expected to have an impact on the Board's financial statements and are noted below:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts. IFRS 17 affects any company that writes insurance contracts - such contracts are not written by the Council.
- The changes to the measurement of non-investment assets within the 2025/26 CIPFA Code of Practice include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. The Council follows current valuation guidelines as laid down by The Code

### **Note 4: Critical Judgements in Applying Accounting Policies**

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

- In assessing the potential for significant costs arising from Valuation Appeal Panels, the Board has considered its level of exposure as low and therefore no provision for an outflow of money has been made.
- The Accounts have been prepared on a going concern basis as it is expected that despite the uncertainty around future local government funding, a medium-term Financial Strategy has been developed in conjunction with the Board's constituent authorities. This gives certainty regarding the medium-term financial outlook and the level of service provision.
- If a Pension Scheme was in deficit (a liability), this would be recognised in the Accounts. Conversely, if the Pension scheme was in a surplus (an Asset), in line with IFRIC14, this would not be recognised on the basis that there is no ability to recover any surplus from the fund, nor recover any of the funds from future contributions. The surplus/deficit is arrived at by obtaining a valuation from the actuary. In the event of a surplus, consideration is given to whether it can be recognised based on whether the surplus can be recovered, or the contributions can be reduced. It is believed that under the agreement with Strathclyde Pension Fund, such a surplus cannot be recovered.

## Note 5: Expenditure and Funding Analysis

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

2023/2024				2024/2025		
Net Exp. Chargeable to GF	Adjustment between Funding and Accounting Basis (Note 6)	Net Exp. in CIES		Net Exp. Chargeable to GF	Adjustment between Funding and Accounting Basis (Note 6)	Net Exp. in CIES
Restated		Restated				
£000	£000	£000		£000	£000	£000
2,887	22	2,909	Employee Costs	2,534	214	2,748
208		208	Property Costs	108		108
115		115	Supplies and Services	182		182
5		5	Transport and Plant	11		11
627	(29)	598	Administration Costs	645	(22)	623
30		30	Payments to Other Bodies	30		30
37	21	58	Financing Charges (Note a)	106	39	145
<b>3,909</b>	<b>14</b>	<b>3,923</b>	<b>Total Expenditure</b>	<b>3,616</b>	<b>231</b>	<b>3,847</b>
(4,075)		(4,075)	Income	(4,018)		(4,018)
<b>(166)</b>	<b>14</b>	<b>(152)</b>	<b>Net Cost of Services</b>	<b>(402)</b>	<b>231</b>	<b>(171)</b>
(88)	8	(80)	Financing and Investment Income and Expenditure (Note a)	(98)	29	(69)
<b>(254)</b>	<b>22</b>	<b>(232)</b>	<b>(Surplus) or Deficit</b>	<b>(500)</b>	<b>260</b>	<b>(240)</b>

Note a: An amount of £0.088 million, in respect of interest received on revenue balances, has been restated in 2023/2024 from Financing Charges to Financing and Investment Income and Expenditure, as detailed in Note 2 on page 29. The surplus does not change, this is a presentation change only.

2023/2024		2024/2025
General Fund		General Fund
£000		£000
(1,721)	Opening General Fund Balance	(1,975)
(254)	(Surplus) or Deficit	(500)
-	Transfers To/From Reserves	-
<b>(1,975)</b>	<b>Closing General Fund Balance</b>	<b>(2,475)</b>

**Note 6: Notes to the Expenditure and Funding Analysis - Adjustments Between Funding and Accounting Basis**

	2024/2025	2024/2025	2024/2025	2024/2025
	Adjustments for Capital Purposes (note a) £000	Net Change for the Pensions Adjustments (note b) £000	Other Differences (note c) £000	Total Adjustments between Funding and Accounting Basis £000
Employee Costs	-	216	(2)	214
Property Costs	-	-	-	-
Supplies and Services	-	-	-	-
Transport and Plant	-	-	-	-
Administration Costs	-	(22)	-	(22)
Payments to Other Bodies	-	-	-	-
Financing Charges	39	-	-	39
<b>Total Expenditure</b>	<b>39</b>	<b>194</b>	<b>(2)</b>	<b>231</b>
Income	-	-	-	-
<b>Net Cost of Services</b>	<b>39</b>	<b>194</b>	<b>(2)</b>	<b>231</b>
Financing and Investment Income and Expenditure	-	29	-	29
<b>(Surplus) or Deficit</b>	<b>39</b>	<b>223</b>	<b>(2)</b>	<b>260</b>

	2023/2024	2023/2024	2023/2024	2023/2024
	Adjustments for Capital Purposes (note a) £000	Net Change for the Pensions Adjustments (note b) £000	Other Differences (note c) £000	Total Adjustments between Funding and Accounting Basis £000
Employee Costs	-	25	(3)	22
Property Costs	-	-	-	-
Supplies and Services	-	-	-	-
Transport and Plant	-	-	-	-
Administration Costs	-	(29)	-	(29)
Payments to Other Bodies	-	-	-	-
Financing Charges	21	-	-	21
<b>Total Expenditure</b>	<b>21</b>	<b>(4)</b>	<b>(3)</b>	<b>14</b>
Income	-	-	-	-
<b>Net Cost of Services</b>	<b>21</b>	<b>(4)</b>	<b>(3)</b>	<b>14</b>
Financing and Investment Income and Expenditure	-	8	-	8
<b>(Surplus) or Deficit</b>	<b>21</b>	<b>4</b>	<b>(3)</b>	<b>22</b>

**Note a – Adjustment for Capital Purposes**

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

**Note b – Net Change for the Pensions Adjustment**

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



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

#### **Note c – Other Differences**

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

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

#### **Note 7: Adjustments between Accounting Basis and Funding Basis Under Regulations**

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Board in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Board to meet future revenue expenditure.

<b>Useable Reserves</b>		
	<b>2024/2025</b>	<b>2023/2024</b>
	<b>£000</b>	<b>£000</b>
<b>Adjustments to Revenue Resources</b>		
Pension Costs (transferred to (or from) the Pensions Reserve	(58)	286
Holiday Pay (transferred to the Employee Statutory Adjustment Account)	(2)	(4)
Statutory provision for the Repayment of Debt – Leases	(69)	
Reversal of entries in the surplus or deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	107	22
<b>Total Adjustments to Revenue Resources</b>	<b>(22)</b>	<b>304</b>
<b>Adjustments between Revenue and Capital Resources</b>		
Capital expenditure finance from revenue balances (transfer to Capital Adjustment Account)	0	0
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>0</b>	<b>0</b>
<b>Total Adjustments</b>	<b>(22)</b>	<b>304</b>
Total Comprehensive Income and Expenditure	522	(50)
Net Increase / (Decrease) before transfers to / from Reserves	500	254
<b>Increase / (Decrease) in year</b>	<b>500</b>	<b>254</b>

## **Note 8: Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty**

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

The items in the Board's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Items</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
Pension Asset / (Liability)	Estimation of the net asset depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries, commissioned by Strathclyde Pension Fund, is engaged to provide the Board with expert advice about the assumptions to be applied.	<p>The effect on the net pension asset of changes in individual assumptions can be measured. E.g. a 0.1% decrease in the discount rate assumption would result in a decrease in the pension asset of £0.363 million. The assumptions interact in complex ways. During 2024/2025, the actuaries advised that the net pension asset had increased by: £3.486 million attributed to the updating of financial assumptions; increased by £0.039 million attributable to changes in demographic assumptions; and increased by £0.182 million due to other experience. The net asset had decreased by £0.454 million due to the expected return on pension fund assets.</p> <p>In line with IFRIC14, while there is a net asset, an asset ceiling has been applied to the Balance Sheet.</p>

## **Note 9: Events after the Balance Sheet**

The unaudited Annual Accounts were authorised for issue by the Treasurer of Lanarkshire Valuation Joint Board on 2 June 2025. There were no events that occurred between 1 April 2024 and the date that the Annual Accounts were authorised for issue that would have an impact on the financial statements.

## **Note 10: Contingent Liabilities**

### **Pensions**

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

The Board's actuaries also highlighted an awareness of 2 other court cases which may impact on pension benefits in the future. The first was the Walker case where it was ruled that surviving spouses in same sex marriages should be entitled to the same benefits as those in different sex marriages and also the O'Brien case where it was ruled that recognition of part time benefits should apply to service for the period prior to 7 April 2000. The actuaries understanding is that these are unlikely to be significant judgements in terms of impact on future pension obligations of

Employers. Again, given the uncertainty, and the immaterial nature of any potential impact, no provision has been made in the Accounts.

### Valuation Appeals

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

### Note 11: Leases

The Board adopted IFRS 16 from 1 April 2024, to recognise right of use assets. IFRS 16 will mean that leases where the Board acts as lessee will come onto the balance sheet and lessor accounting is effectively unchanged. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 and not by adjusting prior year figures.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are now on the balance sheet at 1 April 2024. Leases for items of low value (below £0.010 million) and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

A weighted average incremental borrowing rate, in line with the time period of the lease, has been applied to lease liabilities as at 1 April 2024. The rate applied was 4.61%

As a lessee, the Board has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Board. Under IFRS 16, the Board recognises right-of-use assets and lease liabilities for most leases.

The Board has decided to apply recognition exemptions to low value assets (below £0.010 million when new) and to short-term leases (existing leases that expire on or before 31 March 2025), and new leases with a duration of less than 12 months. The Board recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Board's lease contracts comprise leases of operational buildings and equipment. Most are individually immaterial however, material leases include the lease for the ground floor at David Dale House, Blantyre which commenced in April 2021 for a term of 9.3 years. Rentals were set at the start of the lease. The value of the asset as at 31 March 2025 was £0.464 million.

This table shows the change in the value of right-of-use assets held under leases by the Board. These are included within overall Property, Plant and Equipment in Note 12.

<b>Right of Use Assets</b>	<b>2024/2025</b>
	<b>Buildings</b>
	<b>£000</b>
Balance 1 April	551
Revaluations	0
Depreciation	(87)
Disposals	0
<b>Balance 31 March</b>	<b>464</b>

The Board incurred the following expenses and cashflows in relation to leases.

<b>Transactions under Leases</b>	<b>2024/2025</b>
	<b>£000</b>
<b>Comprehensive Income and Expenditure Statement</b>	
Interest Expense on Lease Liabilities	24
Expense relating to exempt leases of low-value items	37
<b>Cashflow Statement</b>	
Interest paid	24
Minimum lease payments	69
<b>Total Cashflow for Leases</b>	<b>93</b>

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments).

<b>Maturity Analysis of Lease Liabilities</b>	<b>2024/2025</b>
	<b>Lease Liability £000</b>
Not later than one year	78
Later than one year and not later than five years	368
Later than five years	36
<b>Total Undiscounted Liabilities</b>	<b>482</b>

#### **Note 12: Property, Plant and Equipment**

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>		
At 1 April	181	181
Recognise Right of Use Assets	551	-
Additions	0	0
<b>At 31 March</b>	<b>732</b>	<b>181</b>
<b>Accumulated Depreciation</b>		
At 1 April	68	46
Depreciation	107	22
<b>At 31 March</b>	<b>175</b>	<b>68</b>
<b>Net Book Value at 31 March</b>	<b>557</b>	<b>113</b>

#### **Note 13: Short Term Debtors**

The debtors figure comprises prepayments and is analysed as follows:

	<b>2024/2025</b>	<b>2023/2024</b>
	<b>£000</b>	<b>£000</b>
Information Technology Annual Support and Maintenance	47	103
Membership Fees / Annual Subscriptions	4	3
Credit Note Relating to 2023/2024 (charges received in error)	7	-
Insurance Services	8	-
<b>Total</b>	<b>66</b>	<b>106</b>

## Note 14: Short Term Creditors

The creditors figure is analysed as follows:

	2024/2025	2023/2024
	£000	£000
Royal Mail – Postal Charges	3	3
North Lanarkshire Council – Depute Convenor Salary	5	5
Accumulated Compensated Absences – Annual Leave	68	70
Other – Employee Cost Accrual	118	111
Audit Scotland	1	1
Administration and Legal Costs	51	3
<b>Total</b>	<b>246</b>	<b>193</b>

## Note 15: Related Party Transactions

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

	2024/2025	2024/2025	2023/2024	2023/2024
	Receipts	Payments	Receipts	Payments
	£000	£000	£000	£000
South Lanarkshire Council	1,814	410	2,004.5	407
North Lanarkshire Council	1,814	5	2,004.5	7
Fife Council	-	1	-	3
<b>Total</b>	<b>3,628</b>	<b>416</b>	<b>4,009</b>	<b>417</b>

The Board occupied the premises at David Dale House, 45 John Street, Blantyre, G72 0JG during 2024/2025, and are recharged for the cost of accommodation by South Lanarkshire Council. Included within payments to South Lanarkshire Council is a charge of £0.201 million for the lease and service charge of office accommodation at David Dale House (2023/2024: £0.207 million). Further details of the lease costs are shown in Note 11, Leases (page 35).

## Note 16: Defined Benefit Pension Schemes

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

The 2024/2025 pension reports provided by the actuary indicate an increased Asset (a surplus) for this year (compared to 2023/2024), and in line with IFRIC14, an asset ceiling has been applied. This reduces the Asset from £15.473 million to £nil and reflects the present value of employer future service costs less the present value of future employer contributions, over the future working lifetime of your active scheme.

## Transactions relating to Retirement Benefits

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

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

<b>Comprehensive Income and Expenditure Statement</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>£000</b>	<b>£000</b>
Cost of Services:		
Service cost comprising:		
Current service cost	356	431
Past Service Cost (including curtailments)	0	0
Financing and Investment Income and Expenditure		
Net interest expense	29	8
<b>Total post-employment benefit charged to the Deficit on the Provision of Services</b>	<b>385</b>	<b>439</b>
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:		
Re-measurement of the net defined benefit liability/(asset) comprising:		
• return on pension fund assets	454	(1,651)
• actuarial (gains) or losses arising on changes in demographic assumptions	(39)	(57)
• actuarial (gains) or losses arising on changes in financial assumptions	(3,486)	(1,354)
• actuarial (gains) or losses arising on changes in other experience	(182)	2,588
• actuarial (gains) or losses arising on de-recognition of Pension Asset	3,029	759
• actuarial (gains) or losses arising on present value of Unfunded Liability	(58)	(3)
<b>Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>(282)</b>	<b>282</b>
Net Charge to the Surplus/Deficit on the Provision of Services brought forward	385	439
<b>Movement In Reserves Statement</b>		
• reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the Code	(224)	(4)
<b>Actual amount charged against the General Fund balance for pensions in the year:</b>		
• employers' contributions payable to the scheme	161	435

### **Pensions Assets and Liabilities Recognised in the Balance Sheet**

The amount included in the Balance Sheet arising from the Lanarkshire Valuation Joint Board's obligation in respect of its defined benefit plan is as per the Table overleaf. The net asset arising from the Board's involvement in the defined benefit scheme totals £15.473 million at 31 March 2025. However, this has been limited to £nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Board can recover the benefits through either refunds or reduced contributions. As the Board is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the pension asset to £nil. Separately the Board has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward.

	2024/2025	2023/2024
	£000	£000
Present value of the defined obligation	(20,392)	(23,193)
Fair value of pension fund assets	35,865	35,039
De-Recognition of Pension Assets (Surplus) to Asset Ceiling	(15,473)	(11,846)
Present Value of the Unfunded Liability Accounted for Separately	(435)	(493)
<b>Net asset / (liability) arising from defined benefit obligations</b>	<b>(435)</b>	<b>(493)</b>

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

	2024/2025	2023/2024
	£000	£000
<b>Opening Balance at 1 April</b>	<b>(23,193)</b>	<b>(21,526)</b>
Current Service Cost	(356)	(431)
Interest Cost	(1,119)	(1,020)
Contributions by scheme participants	(124)	(137)
Re-measurement gains and losses		
actuarial gains and losses arising on changes in demographic assumptions	39	57
actuarial gains and losses arising from changes in financial assumptions	3,486	1,354
actuarial gains and losses arising from changes in other experience	182	(2,235)
Past service gains / losses	-	-
Settlements and curtailments	-	-
Estimated Unfunded benefits paid	30	29
Estimated Benefits paid	663	716
<b>Closing Balance at 31 March</b>	<b>(20,392)</b>	<b>(23,193)</b>

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

	2024/2025	2023/2024
	£000	£000
Opening Fair Value of Pension Fund Assets	35,039	32,377
Interest Income	1,688	1,537
Re-measurement gains and (losses)		
expected return on pension fund assets	(454)	1,651
actuarial gains and losses	-	-
other experiences	-	(353)
The effect of changes in foreign exchange rates	-	-
Contributions by members	124	137
Contributions by the employer	131	406
Contributions in respect of Unfunded Benefits	30	29
Benefits Paid	(693)	(745)
<b>Closing Fair Value of the Scheme Assets</b>	<b>35,865</b>	<b>35,039</b>

## Analysis of Pension Fund Assets

	31/03/25			31/03/24		
	Quoted prices in active markets	Quoted prices not in active markets	Total	Quoted prices in active markets	Quoted prices not in active markets	Total
	£000	£000	£000	£000	£000	£000
Cash and Cash Equivalents	0	873	873	54	595	649
Equity Instruments	7,430	23	7,453	7,077	8	7,085
Debt Instruments	0	0	0	0	0	0
Real Estate	0	2,706	2,706	0	2,755	2,755
Derivatives	0	0	0	0	0	0
Private Equity	0	8,290	8,290	0	8,365	8,365
Investment Funds	131	16,412	16,543	144	16,041	16,185
Asset Backed Securities	0	0	0	0	0	0
Structured Debt	0	0	0	0	0	0
<b>Total</b>	<b>7,561</b>	<b>28,304</b>	<b>35,865</b>	<b>7,275</b>	<b>27,764</b>	<b>35,039</b>

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, to provide an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme has been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates for the Strathclyde Pension Fund being based on the latest valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuary were:

	2024/2025	2023/2024
	Years	Years
<b>Mortality Assumptions:</b>		
Longevity at 65 for current pensioners		
Male	21.0	21.1
Female	23.2	23.2
Longevity at 65 for future pensioners		
Male	22.5	22.6
Female	24.4	24.4
<b>Financial Assumptions:</b>	%	%
Rate of inflation / pension increase rate	2.75	2.75
Rate of increase in salaries	3.45	3.45
Return on assets	3.5	9.90
Rate for discounting scheme liabilities	5.8	4.85
Take up option to convert annual pension into retirement lump sum Pre April 2009 / (Post April 2009)	75(75)	75(75)

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses overleaf have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumptions analysed changes while all the other assumptions remain constant:



	Approximate % increase in employer's liability	Approximate monetary amount £000
<b>Change in assumption at 31 March 2025</b>		
0.1% decrease in real discount rate	2%	363
1 year increase in member life expectancy	4%	816
0.1% increase in the salary increase rate	0%	34
0.1% increase in the pension increase rate	2%	339

### Asset and Liability Matching Strategy

The Fund has an asset and liability matching (ALM) strategy that matches, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. The Fund has matched assets to the pension obligations by investing in long-term fixed interest securities and index linked gilt edged investments with maturities that match the benefits payments as they fall due. A large proportion of the assets relate to equities (69%) and bonds (21%). The scheme also invests in properties (8%) and cash (2%). The comparative year's figures for equities and bonds are 78% and 12% respectively. The ALM strategy is monitored annually or more frequently if necessary.

### Impact on the Board's Cash Flow

The objectives of the fund are to keep employers' contributions at a constant a rate as possible. The Fund has an agreed strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating local authorities. Employers' contributions were set at 6.5% for 2024/2025 based on the last triennial valuation completed on 31 March 2023. Following completion of the triennial valuation as at 31 March 2023, employers' contribution rates have been set at 6.5% for the next year (2025/2026).

The total contributions expected to be made by the Board to the Fund for the year ending 31 March 2026 is approximately £0.122 million.

The weighted average duration of the defined benefit obligation for Fund members is 17 years.

### Note 17: External Audit Costs

The Board has incurred the following external audit costs:

	2024/2025	2023/2024
	£000	£000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	10	9
<b>Total</b>	<b>10</b>	<b>9</b>

### Note 18: Grant Income

The following Government Grants were received during the year:

	2024/2025	2023/2024
	£000	£000
Scottish Government Grant – Barclay Funding	718	698
Department of Levelling Up, Housing and Communities Funding	362	-
<b>Total</b>	<b>1,080</b>	<b>698</b>

**Note 19: Balance Sheet – Reserves**

<b>Unusable Reserves</b>				<b>2024/2025</b>				<b>2023/2024</b>
	<b>Capital Adjustment Account</b>	<b>Pension Reserve</b>	<b>Employee Statutory Adj. Account</b>	<b>Total</b>	<b>Capital Adjustment Account</b>	<b>Pension Reserve</b>	<b>Employee Statutory Adj. Account</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Opening Balance 1 April	113	(493)	(70)	(450)	135	(207)	(74)	(146)
Movement in Pension Reserve	-	58	-	58	-	(286)	-	(286)
Movement in Annual Leave Accrual	-	-	2	2	-	-	4	4
Statutory repayment of debt	69	-	-	69	-	-	-	-
Charges for Depreciation of Non Current Assets	(107)	-	-	(107)	(22)	-	-	(22)
Amortisation of Intangible Assets	-	-	-	-	-	-	-	-
<b>Closing Balance as at 31 March</b>	<b>75</b>	<b>(435)</b>	<b>(68)</b>	<b>(428)</b>	<b>113</b>	<b>(493)</b>	<b>(70)</b>	<b>(450)</b>

<b>Usable Reserves</b>		<b>2024/2025</b>		<b>2023/2024</b>
	<b>General Fund Reserve</b>	<b>Total</b>	<b>General Fund Reserve</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Opening Balance 1 April	1,975	1,975	1,721	1,721
Increase / (Decrease) in Reserve	500	500	254	254
<b>Closing Balance as at 31 March</b>	<b>2,475</b>	<b>2,475</b>	<b>1,975</b>	<b>1,975</b>

## Note 20: Financing and Management of Liquid Resources

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

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

	2024/2025	2023/2024
	£000	Restated £000
Pension Interest Cost and Expected Return on Pensions Assets	29	8
Interest Payable on Leases	24	0
Interest Received on Revenue Balances (Note a)	(122)	(88)
<b>Total</b>	<b>(69)</b>	<b>(80)</b>

Note a: An amount of £0.088 million, in respect of interest received on revenue balances, has been restated in 2023/2024 from Financing Charges to Financing and Investment Income and Expenditure, as detailed in Note 2, page 29.

## Note 22: Going Concern

As at 31 March 2025, the Balance Sheet of the Board shows a Net Asset position of £2.047 million.

There are statutory arrangements for funding the long-term deficit in respect of the net pension liability and the statutory accumulated absences, as detailed in the Movement in Reserves Statement on page 23, leaving a General Fund Reserve of £2.475 million to be carried forward for use in future years in line with the 2026/27 to 2028/29 Financial Strategy reported to the Board in June 2025.

## Note 23: Civil Penalties

The Board acts as agent on behalf of the Scottish Government in the collection and payment of Penalties. The Board issue penalties where required and pays over the income collected to the Scottish Government on receipt of the monies, a portion of which will remain in the Board's accounts to cover administration costs. The Scottish Government set the value of these penalties and the Board does not bear any credit risk from these penalties not being paid. These penalties are often mitigated on receipt of information.

As at 31 March 2025, the value of civil penalties issued and due to be collected by the Board totalled £2.023 million.

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

## **Reporting on the audit of the financial statements**

### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of Lanarkshire Valuation Joint Board for the year ended 31 March 2025 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement, and notes to the financial statements, 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 2024/25 (the 2024/25 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Lanarkshire Valuation Joint Board as at 31 March 2025 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 2024/25 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

### **Basis for opinion**

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

### **Conclusions relating to going concern basis of accounting**

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Lanarkshire Valuation Joint Board'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 the Lanarkshire Valuation Joint Board's current or future financial sustainability. However, I report on the Lanarkshire 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 Lanarkshire Valuation Joint Board for the financial statements**

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the 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 the Lanarkshire Valuation Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the Lanarkshire Valuation Joint Board's operations.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

## Reporting on other requirements

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

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

### Other information

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

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

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

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

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

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

### **Matters on which I am required to report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements and the audited 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.

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