



Glasgow and the Clyde Valley
Strategic Development Planning Authority

Annual Financial Statements 2015/16

**Glasgow & the Clyde Valley Strategic Development Planning Authority
Annual Accounts 2015/16**

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Management Commentary

Introduction

The requirements governing the format and content of local authorities' annual accounts (under s106 of the Local Government (Scotland) Act 1973 joint boards and committees are classed as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"). The annual accounts are prepared in line with The Local Authority Accounts (Scotland) Regulations 2014 and the Scottish Government Finance Circular 5/2015.

History and Statutory Background

In 2008 the Scottish Government established Strategic Development Planning Authorities for each of the four Scottish city regions. This created the Glasgow and Clyde Valley Strategic Development Planning Authority (GCVSDPA). The principal role of the GCVSDPA is to prepare and maintain an up to date Strategic Development Plan (SDP) for the region. This process involves engagement through joint working and consultation with key stakeholder organisations and the wider community. In 2014 the GCVSDPA rebranded as Clydeplan to improve recognition and gain wider resonance within the region.

GCVSDPA is a Joint Committee formed under section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is comprised of the eight local authorities of East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire. A Joint Committee is not a separate legal entity, therefore, to ensure the actions of the GCVSDPA have legal effect it must appoint a 'lead authority' with legal personality and act on its behalf to implement its decisions. The lead authority appointed to act for GCVSDPA is Renfrewshire Council.

The Joint Committee is supported by a Steering Group comprising the SDP Manager and the Chief Planning Officers (or their representatives) of each of the member authorities. The Steering Group meets at least four times a year to consider SDP reviews, consultations and reports to be presented to the Joint Committee and the work programme to be undertaken by the core team for the SDP.

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) has a strong relationship with the GCVSDPA and an overview of the Partnership is provided at note 8 of the financial statements.

The Strategic Development Plan

The SDP sets out a development strategy over the next 20 years of where new development should be located and a policy framework to help deliver sustainable economic growth and enhance the quality of life in the Glasgow and Clyde Valley region. The current SDP was approved by the Scottish Government on the 29 May 2012 and published on 13 July 2012.

2015/16 focussed on the preparation of the Proposed Plan for the next SDP which was published on 18 January 2016 for consultation. The consultation period ran from 18 January 2016 to 29 February 2016. The principle focus for 2016/17 will be the consideration of the responses to the consultation and the submission of the Proposed Strategic Development Plan to Scottish Ministers for approval and its formal examination.

Financial Performance

Revenue

The Comprehensive Income and Expenditure Account on page 15 summarises the total costs of providing services and the income available to fund those services.

The Joint Committee has returned a deficit of £99,926 for the financial year 2015/16, compared to a budgeted deficit of £120,001. This deficit excludes accounting adjustments relating to pensions and short-term accumulating compensated absences. The difference between the employee costs figure

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below and the figure reported in the Comprehensive Income and Expenditure report is due to accounting adjustments for pension costs £27,000 and accrued employee benefits £2,184.

A summary of the outturn position against the agreed budget is shown below:

	Budget	Actual	Variance
	£	£	£
Employee Costs	406,402	393,110	13,292
Property Costs	67,500	63,524	3,976
Payments to Other Bodies	130,200	172,061	(41,861)
Supplies and Services	51,299	40,289	11,010
Administrative Costs	52,000	41,811	10,189
Contractors & Others	9,000	63,359	(54,359)
Total Expenditure	716,401	774,154	(57,753)
Requisition Income	(579,500)	(579,500)	-
Other Income	(16,900)	(94,728)	77,828
Total Income	(596,400)	(674,228)	77,828
(Surplus)/Deficit for Year	120,001	99,926	20,075

The underspend in Employee Costs is mainly due to underspends in travel and subsistence and training costs.

The Joint Committee is a partner in the Clyde Marine Planning Partnership (Firth of Clyde Forum), a partnership of local authorities and other organisations working towards integrated, sustainable management of the Clyde's environmental, economic and community resources. The costs associated with this, £45,798, has led to the overspend in Payments to Other Bodies. These costs are fully recovered within Other Income.

The underspend in Supplies and Services is the result of reducing the cost of IT maintenance and slower replacement of IT equipment, which has assisted to offset an increase in the costs of printing plans and maps.

The underspend in Administration Costs is due to lower than expected costs in relation to the publication of the Proposed Plan for consultation.

Consultancy fees incurred in respect of the preparation of the Proposed Plan and payment to a member authority for employee cover in relation to a secondment have contributed to the overspend in Contractors.

Other Income is over recovered due to the funding received to contribute towards the Clyde Marine Planning Partnership and to the secondment of the Strategic Planner.

Capital and Reserves

The Joint Committee does not have the legal powers necessary to hold assets therefore there is no capital spend. Cash balances held by the Joint Committee are matched by creditor balances. The largest creditor balance relates to the revenue reserve balance of £258,488.

The balance on revenue reserves is made up as follows:

Strategic Development Plan Contingency Fund	£192,486
General Reserves	£66,002
Balance at 31 March 2016	£258,488

The balance has reduced from the £358,414 held as at 31 March 2015, due to the reimbursement of £120,000 of reserves to member authorities during financial year 2015/16 as agreed by the Joint Committee.

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Provisions, Contingencies and Write-offs

The Joint Committee is not aware of any eventualities which may have a material effect on the financial position of the Joint Committee, and has made no provisions for such eventualities.

In general, any contingent liabilities known to the Joint Committee are covered by insurance arrangements.

There were no debt write-offs during the year.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 16. The appointed actuaries have confirmed a net liability position of £0.462 million, an improvement of £0.340 million in their assessment of the position of the pension fund. This movement is mainly as a result of reduced liabilities linked to an increase in the real discount rate. The net deficit position of the pension reserve impacts on the net asset position of the Joint Committee as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

The appointed actuaries remain of the view however that the asset holdings of the Strathclyde Pension Scheme and the contributions from employees and employers together with planned increases in employers' contributions provide sufficient security and income to meet future pension liabilities.

Service changes and Future Developments

There have been no changes to the statutory functions which the Joint Committee undertakes, however the Joint Committee is aware of the ongoing review of the planning system by the Scottish Government. The Scottish Government aims to consult on a White Paper in Autumn/Winter 2016 which will enable a Planning Bill to be brought forward in 2017.

Events after the Balance Sheet Date

Events from the Balance Sheet Date until the Date of Signing the Accounts have been taken into consideration.

Impact of Economic Climate

The Joint Committee recognises the difficult financial climate facing local authorities and has continued to seek efficiencies wherever possible. It has been agreed that the indicative levels of requisition in 2016/17 remain at 2015/16 levels.

Conclusion

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record my thanks to both the Strategic Development Plan Manager and his staff, and to my staff for their continued hard work and support.

Councillor James Scanlon

Convenor
12 September 2016

Alan Russell
Treasurer
12 September 2016

Stuart Tait
Strategic Development Plan Manager
12 September 2016

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required:

- to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Joint Committee has the responsibility for the administration of those affairs. (section 95 of the Local Government (Scotland) Act 1973). The Director of Finance and Resources at Renfrewshire Council is the designated Officer and operates as the Treasurer for the Glasgow & Clyde Valley Strategic Development Planning Authority;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- to approve the Annual Accounts for signature.

Councillor James Scanlon

Convenor
12 September 2016

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this statement of accounts, the Treasurer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates which were reasonable and prudent;
- Complied with legislation;
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation);
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2016.

Alan Russell CPFA

Treasurer
12 September 2016

Governance Statement

Scope of Responsibility

Glasgow and the Clyde Valley Strategic Development Planning Authority's Joint Committee 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 Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled. It also describes the way it engages with, and accounts to its stakeholders.

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control 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 Council'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 our governance arrangements are summarised below:

- Minute of Agreement between the member councils of the Joint Committee, setting out the arrangement for the preparation, monitoring and review of the Strategic Development Plan,
- The Joint Committee is supported by a Steering Group comprising planning professionals from each of the member councils and the Strategic Development Plan Manager,
- Development Plan Scheme and Participation Statement detailing our approach to engagement with our stakeholders, this is reviewed annually. There is currently a consultation with stakeholders regarding the development of the next Strategic Development Plan,
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations
- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve the objectives of the Strategic Development Plan,
- Public performance reporting through the Annual Report,
- Policies to regulate employee related matters, including the employee code of conduct and disciplinary procedures,
- The Joint Committee approves, as part of the Glasgow and Clyde Valley Green Network Partnership's Terms of Reference, the allocation of local authority contributions to support the delivery of its Business Plan.

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

- Financial management is supported by comprehensive financial regulations and codes,
- Comprehensive budgeting systems, and detailed guidance for budget holders,
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts,
- Setting targets to measure financial and other performance,
- The preparation of regular financial reports that indicate actual expenditure against the forecasts,

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With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of Renfrewshire Council. This includes regular reviews by the Chief Auditor of Renfrewshire Council.

Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Strategic Development Plan Manager, including the use of a self-assessment tool involving completion of a 30 point checklist covering four key areas of governance:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Joint Committee's internal audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process. The Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems.

Statement on the Role of the Chief Financial Officer

CIPFA published this statement in 2010 and under the Code, the Joint Committee is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact. The full statement is:

The Chief Financial Officer in a public service organisation:

- is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy; and
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- must lead and direct a finance function that is resourced to be fit for purpose; and must be professionally qualified and suitably experienced

Continuous Improvement

Risk management arrangements were improved during 2015/16, with regular reviews of risks and control actions being considered by the management team.

Following the planned internal audit, an action plan is being progressed to improve the Authorities business continuity arrangements.

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Assurance

In conclusion, it is our opinion that the annual review of governance together with the work of internal and external auditors and certification of assurance from the Strategic Development Plan Manager provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions will be taken as necessary to maintain and further enhance the Joint Committee's governance arrangements.

Councillor James Scanlon
Convenor
12 September 2016

Stuart Tait
Strategic Development Plan Manager
12 September 2016

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Remuneration report

All information disclosed in sections two to four in this Remuneration Report will be audited by the council's appointed auditor, Audit Scotland. The other section of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

1. Remuneration policy for elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

2. Remuneration policy for senior employees

The Remuneration Policy of the Joint Committee is set in reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The salary of the Strategic Development Planning Manager is set at spinal point 29, equivalent to 51% of the salary of the Chief Executive of Renfrewshire Council. These arrangements were agreed through approval of the Chief Officers' Award – Structure Plan Manager report at a meeting of the Joint Committee on 2nd December, 2002. The Assistant Strategic Development Planning Manager and Programme Manager posts have been evaluated under the single status framework and are paid according to the salary scales of Renfrewshire Council.

2014/15	Senior Employees		2015/16			
Total	Name	Post Held	Salary, fees and allowances	Expenses allowance chargeable to UK income tax	Other (i)	Total
£			£	£	£	£
69,962	Stuart Tait	Strategic Development Plan Manager	71,206	-	-	71,206
47,304	Dorothy McDonald	Assistant Strategic Development Plan Manager	48,877	-	-	48,877
117,266	Total		120,083	-	-	120,083

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2016, whether or not those amounts were actually paid to, or received by, those persons within that period.

(i) "Other" includes any payments made by the Joint Committee by way of remuneration to, or in respect of, the person that do not otherwise fall within the definition, other than payments relating to pensions.

3. Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS).

For local government employees this is a final salary pension scheme. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. The scheme's normal retirement age is 65.

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

2014/15	Member contribution rates on earnings in the bands below	2015/16
	Up to £20,335	5.5%
	£20,336 to £24,853	7.25%
	£24,854 to £34,096	8.5%
	£34,097 to £45,393	9.5%
	Over £45,394	12%
		Up to £20,500
		£20,501 to £25,000
		£25,001 to £34,400
		£34,401 to £45,800
		Over £45,801

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living. (Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

Senior Employees		Accrued Pension benefits as at 31 March 2016		Change in accrued pension benefits since 31 March 2015		Pension contributions made by Joint Committee during 2015-2016
Name	Post Held	Pension £m	Lump Sum £m	Pension £m	Lump Sum £m	(i) £
Stuart Tait	Strategic Development Plan Manager	0.028	0.057	+0.002	+0.001	13,743
Dorothy McDonald	Assistant Strategic Development Plan Manager	0.019	0.039	+0.002	+0.001	9,433
		0.047	0.096	+0.004	+0.002	23,176

(i) includes any contributions that Glasgow and the Clyde Valley Strategic Development Planning Authority has agreed to pay in respect of the relevant person at a later date

No pension contributions are made for the Joint Committee Convener.

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4. Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2015/16, in bands of £5,000.

2014/15 Number of employees	Remuneration Band	2015/16 Number of employees
1	£50,000 - £54,999	1
-	£55,000 - 59,999	-
-	£60,000 - £64,999	-
1	£65,000 - 69,999	-
-	£70,000 - £74,999	1
-	£75,000 - £79,999	-
-	£80,000 - £84,999	-
-	£85,000 - £89,999	-
-	£90,000 - £94,999	-
-	£95,000 - £99,000	-
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Councillor James Scanlon
Convenor
12 September 2016

Stuart Tait
Strategic Development Plan Manager
12 September 2016

Independent Auditor's Report

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Independent auditor's report to the members of Glasgow and the Clyde Valley Strategic Development Planning Authority (Clydeplan) and the Accounts Commission for Scotland

I certify that I have audited the financial statements of Clydeplan for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash-Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the 2015/16 Code).

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 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the treasurer and auditor

As explained more fully in the Statement of Responsibilities, the treasurer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the body and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the treasurer; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Annual Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the body as at 31 March 2016 and of the income and expenditure of the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 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.

Opinion on other prescribed matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement has not been prepared in accordance with Delivering Good Governance in Local Government; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Anne McGregor
Senior Audit Manager
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2016

Movement in Reserves Statement for the year ended 31 March 2016

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the **comprehensive income and expenditure statement**.

	Note	Usable reserves		Unusable reserves		Total Reserves
		Revenue Reserve	Pension Reserve	Employee Statutory Adjustment Account	£	
		£	£	£	£	
Balance at 31 March 2014 carried forward		-	(356,000)	(12,154)	(368,154)	
<i>Movement in reserves during 2014-15</i>						
Surplus or (deficit) on the provision of services		(62,572)			(62,572)	
Other comprehensive income and expenditure	16a	-	(412,000)		(412,000)	
Total comprehensive income and expenditure		(62,572)	(412,000)	-	(474,572)	
Adjustments between accounting basis and funding basis under regulations	6b & 6c	33,994	(34,000)	6	-	
Transfer from Creditors	6a	386,992			386,992	
Net increase or (decrease) before transfers to other statutory reserves		358,414	(446,000)	6	(87,580)	
Transfers to or (from) other statutory reserves		-	-	-	-	
Transfer to creditors	13	(358,414)	-	-	(358,414)	
Increase or (decrease) in 2014-15		-	(446,000)	6	(445,994)	
Balance at 31 March 2015 carried forward		-	(802,000)	(12,148)	(814,148)	
<i>Movement in reserves during 2015-16</i>						
Surplus or (deficit) on the provision of services		(150,743)			(150,743)	
Other comprehensive income and expenditure	16a		393,000		393,000	
Total comprehensive income and expenditure		(150,743)	393,000	-	242,257	
Adjustments between accounting basis and funding basis under regulations	6b & 6c	50,816	(53,000)	2,184	-	
Transfer from Creditors	6a	358,414			358,414	
Net increase or (decrease) before transfers to other statutory reserves		258,487	340,000	2,184	600,671	
Transfers (to) or from other statutory reserves		-			-	
Transfer to creditors	13	(258,487)			(258,487)	
Increase or (decrease) in 2015-16		-	340,000	2,184	342,184	
Balance at 31 March 2016 carried forward		-	(462,000)	(9,964)	(471,964)	

Comprehensive Income and Expenditure Statement for the year ended 31 March 2016

This statement shows the accounting cost of providing services and managing the Joint Committee during the year. It includes, on an accruals basis, all of the Joint Committee's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the **movement in reserves statement**.

2014/15		Note	2015/16
£			£
435,299	Employee Costs		417,927
63,151	Property Costs		63,524
34,253	Supplies & Services		40,289
65,274	Contractors		63,359
44,735	Administration Costs		41,811
69,601	Payments to Other Bodies		172,061
712,313	Cost of Services		798,971
(81,908)	Other Income		(91,584)
11,667	Financing & Investment Income & Expenditure	9	22,856
(579,500)	Requisitions from Members Authorities	14	(579,500)
62,572	(Surplus) or deficit on the provision of services		150,743
412,000	Actuarial (Gains) or losses on pension assets and liabilities	16a	(393,000)
412,000	Other Comprehensive Income & Expenditure		(393,000)
474,572	Total Comprehensive Income & Expenditure		(242,257)

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Balance Sheet as at 31 March 2016

The **balance sheet** shows the value as at 31 March 2016 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services.

31st March 2015		Note	31st March 2016
£			£
	Long Term Debtor		
	<u>Current Assets</u>		
505,270	Funds held by Renfrewshire Council		479,250
12,144	Debtors and Prepayments	11	23,518
<hr/> 517,414			<hr/> 502,768
	<u>less Current Liabilities</u>		
(529,562)	Creditors And Accruals	12	(512,732)
<hr/> (12,148)	Net Assets Excluding Pension (Liability)/Asset		<hr/> (9,964)
	<u>Long Term Liabilities</u>		
(802,000)	Pension (liability)/Asset	6b	(462,000)
<hr/> <u>(814,148)</u>	Net (Liabilities)/Asset Including Pension		<hr/> <u>(471,964)</u>
	<u>Represented by:</u>		
	Useable Reserves		
(358,414)	Balance due to Member Authorities		(258,487)
358,414	Transfer to Creditors	6a	258,487
	Unuseable Reserves		
(12,148)	Employee Statutory Adjustment Account	6c	(9,964)
(802,000)	Pension Reserve	6b	(462,000)
<hr/> <u>(814,148)</u>			<hr/> <u>(471,964)</u>

The audited accounts were authorised for issue on 12 September 2016.
Balance Sheet signed by:

Alan Russell CPFA
Treasurer
12 September 2016

Cash flow Statement for the year ended 31 March 2016

This statement shows the changes in cash and cash equivalents during the year. It shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of requisition income or from the recipients of services provided. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Joint Committee's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is, borrowing) to the Joint Committee.

2014/15 £		2015/16 £
	Operating Activities	
	Cash Inflows	
(773,197)	Other receipts from operating activities	(621,916)
(3,333)	Interest received	(3,144)
(776,530)	Cash inflows generated from operating activities	(625,060)
	Cash Outflows	
358,889	Cash paid to and on behalf of employees	329,956
394,009	Cash paid to suppliers of goods and services	260,410
53,838	Other payments for operating activities	60,714
806,736	Cash outflows generated from operating activities	651,080
30,206	Net (increase)/decrease in cash and cash equivalents	26,020
535,476	Cash and cash equivalents at the beginning of the reporting period - short term deposits with Renfrewshire Council	505,270
505,270	Cash and cash equivalents at the end of the reporting period - short term deposits with Renfrewshire Council	479,250
30,206	Net cash outflow in cash and cash equivalents in year	26,020

Note 1 Summary of Significant Accounting Policies

The Financial Statements for the year ended 31 March 2016 have been prepared in accordance with proper accounting practice as per section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice for Local Authorities 2015/16, (SeRCOP) supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Joint Committee and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

The following accounting concepts have been considered in the application of accounting policies:

Accruals basis - the accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which payment is made or income received.

Going concern - the going concern concept assumes that the Joint Committee will continue in existence for the foreseeable future.

Understandability – users of the financial statements are assumed to have a reasonable knowledge of accounting and local government.

Relevance – the information in the financial statements is useful for assessing Joint Committee's stewardship of public funds and for making economic decisions.

Materiality - information is included in the financial statements where the information is of such significance that it could influence the decisions or assessments of users of the information.

Reliability – information included in the financial statements faithfully represents the substance of transactions, is free from bias and material error, is complete within the bounds of materiality and cost, and has been prudently prepared.

Primacy of legislative requirements - legislative requirements have priority over accounting principles in the event of conflict between legislation and the Accounting Code.

The accounts have been prepared under the historic cost convention. The following accounting policies used in the preparation of the statements have been reviewed in line with changes made to the Accounting Code following the introduction of International Financial Reporting Standards.

Accruals of Expenditure and Income

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

- i. Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- ii. Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- iii. Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

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- iv. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- v. Suppliers invoices paid in the two weeks following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

Cash and Cash Equivalents

Cash is defined as cash in hand and deposits repayable on demand less overdrafts repayable on demand.

Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the financial statements, but are disclosed as a note to the accounts where they are deemed material.

Employee Benefits

Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of holiday and flexi-leave entitlements earned by employees but not taken before the year end; and which employees may carry forward into the next financial year.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the Employee Costs line in the Comprehensive Income and Expenditure Statement when the Joint Committee is demonstrably committed to either terminating the employment of an officer or making an offer to encourage voluntary redundancy. The Joint Committee is only demonstrably committed to a termination when it has a detailed formal plan for the termination and it is without realistic possibility of withdrawal; and agreement to the termination has been granted by the Joint Committee.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Revenue balances to be charged with the amount payable by the Joint Committee to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and to replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post employment benefits

The Joint Committee participates in the Local Government Pension Scheme which is administered by the Strathclyde Pension Fund. The Local Government Pension Scheme is accounted for as a defined benefit scheme, and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS 19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the giving will be many years into the future.

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in the Strathclyde Pension Fund and a pension reserve. The Comprehensive Income and Expenditure Statement also recognises changes during the year in the pension asset or liability.

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Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate based on the current rate of return available on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

Note 16 to the Core Financial Statements provides further information.

Events after the Balance Sheet date

Events after the balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statements are authorised for issue. There are two types of events:

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period, and the Statements are adjusted to reflect such events
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 5 provides further information.

Prior Period Adjustments

Where there has been a change in accounting policy, that change will be applied retrospectively, that is, prior period figures will be restated unless the Code specifies transitional provisions that shall be followed. Where there has been a change in accounting estimate, that change will be applied prospectively, that is, prior period figures will not be restated. Where a material misstatement or omission has been discovered relating to a prior period, that misstatement or omission will be restated unless it is impracticable to do so.

Government Grants and other Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Joint Committee when there is reasonable assurance that:

- the Joint Committee will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Joint Committee are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Monies advanced as grants and contributions are carried in the Balance Sheet as creditors.

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. The Joint Committee is not party to any finance leases.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg, there is a rent-free period at the commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

Property, Plant and Equipment

Glasgow & the Clyde Valley Strategic Development Planning Authority is a Joint Committee as constituted under s106(1) of the Local Government (Scotland) Act 1973. The Joint Committee has no legal power to hold assets. Any cash assets held are matched by an equivalent creditor balance.

Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that Glasgow and the Clyde Valley Strategic Development Planning Authority becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Joint Committee settles the obligation.

Reserves

The Joint Committee has three reserve funds. The Revenue Reserve contains any balance of requisition income from members of the Joint Committee.

The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Joint Committee share of actuarial gains and losses in the Strathclyde Pension Fund and the change in the Joint Committee's share of the Pension Fund net liability chargeable to the Income and Expenditure Account.

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the Revenue Reserve from accruing for short term accumulating absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate. This means that where employees' full holiday entitlement, time in lieu or credit flexi-time balance has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements require that the impact of such accrued expenditure on the Revenue Reserve is neutralised by transfers to or from the Employee Statutory Adjustment Account.

VAT

Income and Expenditure excludes any amount relating to Value Added Tax (VAT), as all VAT is payable to HM Revenue & Customs and all VAT is recoverable from them.

Note 2 Accounting Standards Issued not Adopted

The code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2016/2017 code:

- Amendment to IAS19 Employee Benefits (Defined Benefit Plans: Employee Contributions)
- Amendment to IAS1 Presentation of Financial Statements (Disclosure Initiatives)
- Changes to the format of the Comprehensive Income and Expenditure Statement

The code requires implementation from 1 April 2016 and there is therefore no impact on the 2015/2016 financial statements.

Note 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect is detailed below.

Leases	An analysis of the terms of the lease for the office accommodation at West Regent Street leased by the Joint Committee has concluded it is an operating lease. Note 10 provides further information.
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Note 4 Assumptions made about the future

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee 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 Balance Sheet at 31 March 2016 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £0.412 million. However, the assumptions interact in complex ways. During 2015/16, the appointed actuaries advised that the net pension liability had decreased by £0.411 million attributable to updating of the financial assumptions.

Note 5 Events after the balance sheet date

Events taking place after the authorised issue date per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non adjusting events.

On 23 June the result of the referendum on membership of the European Union was a majority vote to leave. The UK Government would cease its EU membership from the date of agreement or, failing

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that, within two years of the notification under Article 50 process to negotiate the terms of the UK's exit, with the possibility of extending this time frame with the agreement of the other 27 member states. There is no immediate impact on the CMPA, however, the referendum result has created uncertainty in various areas, for example, employment legislation, procurement, pension liabilities and many more. It is not currently possible to comment on the impact that this may have on the medium term for the CMPA.

Note 6 Details of Movement in Reserves

a. Revenue Reserve

2014/15		2015/16
£		£
(386,992)	Balance as at 1 April	(358,414)
(34,000)	Transfer to pension reserve	(53,000)
6	Transfer to employee statutory adjustment account	2,184
-	Transfers to or (from) other statutory reserves	-
62,572	(Surplus) or Deficit on provision of services (from the Comprehensive Income & Expenditure Account)	150,743
<u>(358,414)</u>	Balance as at 31 March	<u>(258,487)</u>

This represents the excess of member authority requisitions over expenditure in any one year and is shown as payable to the member authorities

b. Pension Reserve

2014/15		2015/16
£		£
(356,000)	Balance as at 1 April	(802,000)
(412,000)	Actuarial Gains and Losses (see note 16)	393,000
(34,000)	Net additional amount required by statute and non-statutory proper practices to be taken into account when determining the surplus or deficit on the revenue reserves for the year	(53,000)
<u>(802,000)</u>	Balance as at 31 March	<u>(462,000)</u>

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the **comprehensive income and expenditure statement** as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds. The credit balance on the Pension Reserve shows a moderate excess in the benefits earned by past and current employees and the Joint Committee's share of the Strathclyde Pension Fund resources available to meet them.

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c. Employee Statutory Adjustment Account

2014/15 £		2015/16 £
(12,154)	Balance as at 1 April	(12,148)
12,154	Reversal of prior year accrual for short-term accumulating compensated absences	12,148
(12,148)	Recognition of the accrual for short-term accumulating compensating absences at 31 March	(9,964)
<u>(12,148)</u>	Balance as at 31 March	<u>(9,964)</u>

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for short-term accumulating compensated absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate. This means that where employees' full holiday entitlement, time in lieu or credit flexi-time balance has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from the Employee Statutory Adjustment Account.

Note 7 Reconciliation of the Balance on the Comprehensive Income and Expenditure Statement to the Movement in Reserves Statement

The deficit for the year on the Revenue Reserves was £50,816 greater than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Joint Committee's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2014/15 £		2015/16 £
Amounts to be included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement in Reserves Statement		
(89,000)	Net charges made for retirement benefits in accordance with IAS19	(105,000)
6	Net charges for employment short-term accumulating absences	2,184
<u>(88,994)</u>		<u>(102,816)</u>
Amounts not included in the Comprehensive Income and Expenditure Statement but required to be included by statute when determining the Movement in Reserves Statement		
<u>55,000</u>	Employers contributions payable to the Strathclyde Pension Fund	<u>52,000</u>
<u>(33,994)</u>	Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	<u>(50,816)</u>

Note 8 Green Network Partnership

Overview

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) was formed in 2006 to develop a co-ordinated approach that will deliver major improvement in the scale and quality of green network provision across Glasgow Clyde Valley.

There is a strong relationship between the GCVSDPA and the GCVGNP: The SDP manager and assistant manager are Chair and Vice Chair of the GNP Board; the GCVSDPA Joint Committee acts for its constituent local authorities to agree local authority funding to support the GNP Business Plan; the GCVSDPA Joint Committee approves the GNP business plan and revenue estimates, in respect of local authority contributions only; progress against business plan targets are monitored annually by the Joint Committee; the executive team of the SDP and GNP share offices in West Regent Street, Glasgow.

As well as the SDP manager, the GCVGNP board is comprised of senior employees from the eight local authorities and four government agencies (Forestry Commission Scotland, Scottish National Heritage, Scottish Environmental Protection Agency and Glasgow Centre for Population Health). The relationship between the GCVSDPA and the GCVGNP is not a joint arrangement and so outside the scope of IFRS 11 (Joint Arrangements).

Financial Performance

Revenue

The GNP has returned a deficit of £15,724 (2014-15, £42,872 deficit,) against a budgeted deficit of £9,004 leading to net overspend of £6,720 (2014-15, £33,432 overspend). The overspend is a result of the GNP using £10,339 to fund projects, as approved by the partnership board, in order to ensure that reserves are being efficiently utilised.

The GNP is a significant regional component of the Central Scotland Green Network (CSGN). As a result the GNP secures additional funding for various projects related to the CSGN. The total project expenditure by the GNP during 2015-16 was £226,884 (2014-15, £342,462). The GNP has been a key partner in the study and planning of the development of the Seven Lochs Wetland Park during 2015-16 resulting in the increased expenditure.

The Green Network partners have contributed funding in the following proportions to enable The Partnership to carry out its objectives.

2014/15		Percentage	2015/16
£	Council		£
5,589	East Dunbartonshire	3.0%	5,589
4,758	East Renfrewshire	2.6%	4,758
31,019	Glasgow City	16.7%	31,019
4,322	Inverclyde	2.3%	4,322
17,306	North Lanarkshire	9.3%	17,306
9,040	Renfrewshire	4.9%	9,040
16,497	South Lanarkshire	8.9%	16,497
4,855	West Dunbartonshire	2.6%	4,855
93,386	Funding From Authorities Represented by GCVSDPA	50.2%	93,386
	Other Government Agencies		
37,354	Forestry Commission	20.1%	37,354
14,008	Glasgow Centre for Population Health	7.5%	14,008
4,669	Scottish Environmental Protection Agency	2.5%	4,669
37,354	Scottish National Heritage	19.7%	36,695
93,385	Total From Other Government Agencies	49.8%	92,726
186,771	TOTAL	100.0%	186,112

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Capital and Reserves

The GCVGNP does not have legal powers necessary to hold assets therefore it has no capital spend. The Partnership retains financial reserves to offset any liabilities of the Partnership. The table below shows the value of the Partnerships reserves at the 31 March 2016. This is analysed into usable reserves, which has been derived from partnership funding and can be used to fund expenditure, and unusable reserves, which cannot be used to fund expenditure.

2014/15	<u>Reserves Represented by:</u>	2015/16
	Useable Reserves	
(139,484)	Balance due to Partnership Members	(123,761)
	Unuseable Reserves	
1,004	Employee Statutory Adjustment Account	(7,435)
(331,000)	Pension Reserve	(230,000)
<u>(469,480)</u>		<u>(361,196)</u>

Note 9 Financing & Investment Income

2014/15 £		2015/16 £
(3,333)	Interest on Balances	(3,144)
15,000	Pension Interest Cost	26,000
<u>11,667</u>	Total Financing & Investment Income	<u>22,856</u>

Note 10 Operating Leases

The Joint Committee has acquired office accommodation at West Regent Street in Glasgow by entering into an operating lease until October 2016. Twenty five percent of the accommodation costs are paid by The Green Network Partnership. The expenditure charged in year to the Comprehensive Income and Expenditure Statement was £29,250 (2014/15 £29,250). The cost of the total lease agreement, including the proportion paid by The Green Network Partnership is detailed below:

31st March 2015 £		31st March 2016 £
	Future Minimum Lease Payments	
39,000	- not later than one year	16,250
16,250	- later than one year and not later than five years	-
-	- later than five years	-
<u>55,250</u>		<u>16,250</u>

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Note 11 Debtors

31st March 2015 £		31st March 2016 £
12,144	Other entities and individuals	23,518
<u>12,144</u>	Total short term debtors	<u>23,518</u>

Note 12 Creditors

31st March 2015 £		31st March 2016 £
358,414	Other local authorities	258,487
12,148	Short term accumulating absences	9,964
21,071	Accrued payrolls	23,624
129,637	Studies funding	202,840
5,000	Income in Advance	15,000
3,292	Other entities and individuals	2,817
<u>529,562</u>	Total short term creditors	<u>512,732</u>

Note 13 Transfer to Creditors

2014/15 £		2015/16 £
<u>(358,414)</u>	In terms of Section 58 of the Local Government (Scotland) Act 1973, Joint Committees have no specific powers to retain reserves to meet future funding requirements and the amount due to member authorities has been transferred to creditors.	<u>(258,487)</u>

Note 14 Related parties

The Joint Committee's related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

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The member authorities of the Joint Committee have contributed requisitions in the following proportions to enable the Joint Committee to carry out its objectives. The Joint Committee in turn pays Renfrewshire Council for support services.

The service level agreement for these services is £23,200 (2014/15 £23,200). A proportion of the cost is paid by the Green Network Partnership. The amount paid in respect of these services by the GCVSDPA for the year ended 31 March 2016 was £18,900 (2014/15 £18,900).

The Joint Committee paid North Lanarkshire Council £36,748 in the year ended 31 March 2016 in respect of the costs of an employee seconded to the GCVSDPA.

2014/15			2015/16	
£	Council	Percentage	£	
72,437.50	East Dunbartonshire	12.5%	72,437.50	
72,437.50	East Renfrewshire	12.5%	72,437.50	
72,437.50	Glasgow City	12.5%	72,437.50	
72,437.50	Inverclyde	12.5%	72,437.50	
72,437.50	North Lanarkshire	12.5%	72,437.50	
72,437.50	Renfrewshire	12.5%	72,437.50	
72,437.50	South Lanarkshire	12.5%	72,437.50	
72,437.50	West Dunbartonshire	12.5%	72,437.50	
579,500.00	GCVSDPA Funding	100.00%	579,500.00	

Note 15 External audit costs

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's *Code of Audit Practice* in 2015-2016 were £2,820 (£2,820 in 2014/15). There were no fees paid to Audit Scotland in respect of any other services.

Note 16 Retirement Benefits

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The scheme for employees is the Strathclyde Pension Fund which is administered by Glasgow City Council. This is a "funded" defined benefit final salary scheme meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liability with investment assets.

16a. Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.

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The following transactions have been made in the accounting statements in 2015-2016:

2014/15 £	Note	2015/16 £
Comprehensive Income & Expenditure Statement		
Cost of Services		
74,000	(i)	79,000
-	(ii)	-
-	(iii)	-
<u>74,000</u>		<u>79,000</u>
Financing & Investment Income & Expenditure		
15,000	(iv)	26,000
<u>89,000</u>		<u>105,000</u>
Other post employment benefit charged to the Comprehensive Income and Expenditure Statement		
(461,000)		18,000
873,000		(411,000)
<u>412,000</u>		<u>(393,000)</u>
<u>501,000</u>		<u>(288,000)</u>
Movement in Reserves Statement		
(446,000)	(v)	340,000
<u>55,000</u>		<u>52,000</u>

Notes

- i. Current service cost is the cost of future entitlements to pension payments to current employees
- ii. Past service cost is the cost of discretionary pension benefits to former employees who retired on the grounds of efficiency etc or savings made for commuting part of the pension for additional cash.
- iii. Curtailments are the pension costs to employees retired under redundancy terms.
- iv. The net Interest Cost is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- v. The Movement on Pension Reserve represents the net change in the pension liability recognised in the Movement in Reserves Statement for pension payments made by the Joint Committee to the Strathclyde Pension Fund during the year (£53,000).

The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2015/16 these amounted to £8,365 (2014/15 £8,220).

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial gains of £0.393 million are included in the Movement in Reserves Statement (2014/15 £0.412 million loss).

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16b. Assets and liabilities in relation to retirement benefits

A reconciliation of the Joint Committee's share of the **present** value of the Strathclyde Pension Fund's **liabilities** is as follows:

2014/15		2015/16
£000		£000
2,693	Opening present value	3,713
74	Current service cost	79
116	Interest Cost	119
21	Employee Contributions	20
	Remeasurement (gains)/losses:	
873	Actuarial (gains)/losses arising from changes in financial assumptions	(411)
(64)	Benefits Paid	(66)
<u>3,713</u>	Closing present value of scheme liabilities	<u>3,454</u>

A reconciliation of the Joint Committee's share of the **fair** value of the Strathclyde Pension Fund's **assets** is as follows:

£000		£000
2,337	Opening Fair Value	2,911
101	Interest Income	93
	Remeasurement gain/(loss):	
461	Return on assets excluding amounts included in net interest	(18)
55	Contributions from employer	52
21	Contributions from employee	20
(64)	Benefits Paid	(66)
<u>2,911</u>	Closing fair value of scheme assets	<u>2,992</u>

16c. Fund history

	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000
Present Value of Liabilities	(2,116)	(2,418)	(2,693)	(3,713)	(3,454)
Fair value of assets	1,957	2,152	2,337	2,911	2,992
Surplus/(deficit) in the scheme	<u>(159)</u>	<u>(266)</u>	<u>(356)</u>	<u>(802)</u>	<u>(462)</u>

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The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The net liability of £0.462 million has a significant impact on the net worth of the Joint Committee as recorded in the balance sheet. Any deficit on the Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

The total contributions expected to be made by the Joint Committee to Strathclyde Pension Fund in the year to 31 March 2017 is £0.052 million

16d. Basis for estimating assets and liabilities

The Joint Committee's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of Actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2014.

The principal assumptions used by the actuary have been:

31st March 2015	Year Ended:	31st March 2016
Mortality assumptions		
Longevity at 65 for current pensioners		
22.1 years	• Men	22.1 years
23.6 years	• Women	23.6 years
Longevity at 65 for Future pensioners		
24.8 years	• Men	24.8 years
26.2 years	• Women	26.2 years
4.3%	Rate of increase in salaries*	4.2%
2.4%	Rate of increase in pensions	2.2%
3.2%	Rate for discounting scheme liabilities	3.5%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	For Pre April 2009 Service	50.0%
75.0%	Post April 2009 Service	75.0%

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The pension scheme's assets consist of the following categories, by proportion of the total assets held:

31st March 2015 £000		Percentage	31st March 2016 £000
	Equity Securities		
275	Consumer	9.4%	281
220	Manufacturing	7.5%	224
86	Energy and Utilities	2.9%	88
203	Financial Institutions	6.9%	206
118	Health and Care	4.0%	121
167	Information Technology	5.7%	171
1,069	Total Equity	36.5%	1,091
	Private Equity		
283	All	9.7%	291
283	Total Private Equity	9.7%	291
	Real Estate		
266	UK Property	10.7%	321
-	Overseas Property	0.0%	-
266	Total Real Estate	10.7%	321
	Investment Funds & Unit Trusts		
835	Equities	26.0%	777
369	Bonds	12.2%	365
1	Commodities	0.1%	1
10	Infrastructure	0.0%	-
5	Other	1.4%	42
1,220	Total Investment Funds & Unit Trusts	39.7%	1,185
	Derivatives		
-	Inflation	0.0%	-
-	Interest Rate	0.0%	-
-	Foreign Exchange	0.0%	-
1	Other	0.0%	1
1	Total Derivatives	0.0%	1
	Cash & Cash Equivalents		
72	All	3.4%	103
72	Total Cash & Cash Equivalents	3.4%	103
2,911	Total	100%	2,992

16e. Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions has been set at 19.3% for 2015-16 and 2016-17.

Note 17 Contingent Liabilities and Assets

As at the Balance Sheet date the Joint Committee had no material contingent assets or liabilities.

