



Glasgow and the Clyde Valley
Strategic Development Planning Authority

Annual Accounts
2019/20

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Management Commentary

The purpose of the Management Commentary is to present an overview of Clydeplan's financial performance during the year 2019/20 and to help readers understand its financial position at 31 March 2020. In addition, it outlines the main risks and uncertainties facing Clydeplan for the financial year 2019/20 and beyond.

History and Background

The Glasgow and Clyde Valley Strategic Development Planning Authority (GCVSDPA) was created in 2008, when the Scottish Government established Strategic Development Planning Authorities for each of the four Scottish city regions. In 2014 the GCVSDPA rebranded as 'Clydeplan' to improve recognition and gain wider resonance within the region. The principal role of Clydeplan 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.

Clydeplan is a Joint Committee formed under section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is comprised of the following eight local authorities:

- East Dunbartonshire Council;
- East Renfrewshire Council;
- Glasgow City Council;
- Inverclyde Council;
- North Lanarkshire Council;
- Renfrewshire Council;
- South Lanarkshire Council;
- West Dunbartonshire Council.

The Joint Committee is comprised of two members from each constituent authority. During 2019/20, the Chair of the Joint Committee was Councillor Lawrence O'Neill of West Dunbartonshire Council and the Vice-

Chair was Councillor David Wilson of Inverclyde Council.

A Joint Committee is not a separate legal entity, therefore, to ensure its actions have legal effect it must appoint a 'lead authority' with legal personality to act on its behalf to implement its decisions. The lead authority appointed to act for Clydeplan is currently 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 Clydeplan and an overview of the Partnership is provided at Note 7: Green Network Partnership on page 21.

Strategic Development Plan

The Strategic Development Plan sets out a spatial development strategy for the next 20 years identifying where new development should be located. It also sets out a policy framework to help deliver sustainable economic growth and enhance the quality of life in the Glasgow City and Clyde Valley Region. The current SDP was approved by Scottish Ministers on 24 July 2017.

Strategic Development Plan Review

Several important developments in respect of strategic development planning that happened during 2019/20 will have significant implications for the future role and work of Clydeplan.

Firstly, the Planning (Scotland) Bill was enacted into legislation on 25 July 2019. This has significant implications for the future role of Clydeplan, requiring

the development of Regional Spatial Strategies by planning authorities, rather than Strategic Development Plans.

Secondly, the national direction of travel towards bespoke regional partnerships, combined with the continuing development of the Glasgow City Region's Economic Strategic and Action Plan published in February 2017, continues to have implications for the day-to-day activities of this organisation. In addition to the appointment of a Director of Regional Economic Growth at Glasgow City Region, three portfolio development officers have been appointed on a secondment basis to assist in developing the activities of the eight city region portfolios.

Clydeplan is now an active participant on a number of these groupings, including:

- Land Use and Sustainability;
- Transport and Connectivity;
- Housing and Equalities;
- Infrastructure and Assets;
- Economic Delivery Group.

In particular, the Land Use and Sustainability Portfolio is committed to the production of an 'Indicative Regional Spatial Strategy' in support of the Scottish Government's development of National Planning Framework 4, and Clydeplan will play a lead role in its preparation.

In addition, Clydeplan provides technical support to the Glasgow City Deal Programme Management Office in respect of the £1.13bn Infrastructure Investment Fund.

The principle focus for 2020/21 will involve working closely with the Clydeplan's Steering Group and the City Region's Land Use and Sustainability portfolio to become more closely aligned in their activities in support of the implementation of the new Planning (Scotland) Act 2019 and in the development of an appropriate work programme.

In fulfilment of its Minute of Agreement and the existing requirements of the 2006 Planning Act, Clydeplan approved its Annual Report and its Development Plan Scheme and Participation Statement in March 2020. These documents can be accessed at the following web links:

- Annual Report - <https://www.clydeplan-sdpa.gov.uk>Strategic Development Plan>Annual Reports>
- Development Plan Scheme and Participation Statement - <https://www.clydeplan-sdpa.gov.uk>Strategic Development Plan>

Primary Financial Statements

The Annual Accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Under Section 106 of Local Government (Scotland) Act 1973, Joint Committees are classed as local authorities.

The Annual Accounts summarise the joint committee's transactions for the year and its year-end position at 31 March 2020. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet.

These statements are accompanied by Notes to the Accounts, which provide more details on the figures shown in the statements and set out the Accounting Policies adopted by the Joint Committee.

Financial Performance

Revenue

The Comprehensive Income and Expenditure Statement (CIES) on page 12 summarises the total costs of providing services and the income available to fund those services.

The Joint Committee has returned a deficit of £36,800 for the financial year 2019/20. This results in an overspend of £21,000 against the planned deficit of £15,800.

The overall deficit excludes accounting adjustments relating to pensions and short-term accumulating compensated absences.

The difference between the employee costs figure below and the figure reported in the CIES is due to the accounting adjustments for pension costs of £51,000 and accrued employee benefits (£5,289).

A summary of the final outturn position against the approved budget for Clydeplan is shown below.

	Budget £	Actual £	Variance £
Employee Costs	461,802	433,174	28,628
Property Costs	68,500	27,503	40,997
Supplies and Services	76,491	252,159	(175,668)
Support Services	20,506	21,075	(569)
Transfer Payments	1,000	1,634	(634)
Transport Payments	5,503	1,896	3,607
Total Expenditure	633,802	737,441	(103,639)
Requisition Income	(579,500)	(419,500)	(160,000)
Other Income	(38,502)	(281,141)	242,639
Total Income	(618,002)	(700,641)	82,639
(Surplus)/Deficit for Year	15,800	36,800	(21,000)

The underspend in Employee Costs is mainly due to a Strategic Planner post that was vacant for most of 2019/20. This is offset by secondment expenditure, which is fully recovered through Other Income.

Property Costs are underspent against budget due to Clydeplan moving into 40 John Street Glasgow, where costs are substantially lower, upon the expiry of the lease of West Regent Street.

The overspend in Supplies and Services is largely the result of unbudgeted Project expenditure within the Clyde Estuary Forum (£192k), offset by other minor underspends. The Project expenditure has been recovered in Other Income.

Requisition Income is under-recovered due to the decision agreed at Clydeplan's December meeting to return requisition of £20k per authority in order to decrease reserves to an appropriate level.

Other Income is over-recovered mainly due to the Clyde Estuary project income (£192k) as well as secondment income from the City Region Team at Glasgow City Council (£34k).

The Balance Sheet at 31 March 2020

The Balance Sheet sets out the total net worth of the Joint Committee at a snapshot in time. When comparing the net worth of Clydeplan at 31 March 2020 to that of the prior year, an overall increase in net worth of the organisation of £0.352m can be seen. This is primarily due to the decrease in pension liability explained below.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 14: Retirement Benefits. The appointed actuaries have confirmed a

net liability position of £0.202m, an increase of £0.384m in their assessment of the position of the pension fund. This can be attributed to a higher net discount rate which serves to reduce the value placed on the obligations (corporate bond yields are at a similar level to 2019 but inflation expectations are significantly lower).

The McCloud/Sargeant case noted in last year's accounts, whereby transitional protections on implementation of the new pension benefit structure in 2015 for members close to retirement age are argued to be unlawful on the grounds of age discrimination, added £0.058m of past service costs to the overall pension liability. Following the court ruling and subsequent announcement of proposed remedies by the UK Government, the appointed actuaries have now reduced the estimated past service costs figure by £0.031m in 2019/20 to reflect this change.

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.

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

A further potential change to pension rules is outlined in Note 15: Contingent Liabilities and Assets on page 26; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Reserves

Reserves are classified under accounting regulations into two categories: Usable reserves, which are available to spend; and Unusable reserves, which are unrealised net gains or losses that have a deferred impact on the Joint Committee.

The balance on the Usable Revenue Reserve at 31 March 2020 is £273,927.

The Planning (Scotland) Act 2019, which received Royal Assent on 25 July 2019, states that planning authorities can decide whether they wish to prepare these strategies individually and/or with other authorities. As a consequence, Clydeplan will require to consider its future role in meeting the requirements of the Act in terms of the development of regional spatial strategy to replace the approved SDP2. This consideration will be influenced by the activities and governance arrangements of the Glasgow City Region and its Cabinet.

At its meeting in March 2020, the Clydeplan Joint Committee agreed to support work to explore the future governance arrangements for the performance of the functions undertaken by the Joint Committee, including the formal dissolution of the Joint Committee.

It is recognised that all eight Glasgow City Region Local Authorities who are currently involved with the Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee wish to continue to contribute towards the strategic planning of the City Region.

In this respect Glasgow City Council, working with the current lead authority, Renfrewshire Council, will implement a governance structure to manage the dissolution process and consider the continued contribution of the member authorities towards the strategic planning function for the Glasgow City Region.

Clydeplan will continue to keep the Joint Committee apprised of these significant changes and will work closely with its constituent local authorities and partners to develop a work programme relevant to the delivery of the first Regional Spatial Strategy for the Glasgow City Region under the terms of the new Act.

COVID-19 Lockdown: Remote Working

During the COVID-19 lockdown period, Clydeplan has continued to operate effectively, with all staff working from home. Normal governance procedures, such as the Joint Committee meetings, continue albeit on a virtual / remote basis.

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.

Lawrence O'Neill

Councillor Lawrence O'Neill

Convenor
27 October 2020

Stuart Tait

Stuart Tait

Strategic Development Plan Manager
27 October 2020

Alan Russell

Alan Russell

Treasurer
27 October 2020

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 designated officer is Renfrewshire Council's Director of Finance and Resources, who is also the Treasurer of Glasgow and Clyde Valley Strategic Development Planning Authority;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that 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); and
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on the 26 October 2020.

Signed on behalf of Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee.

Lawrence O'Neill

Councillor Lawrence O'Neill

Convenor
27 October 2020

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee'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 then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Treasurer has also:

- kept adequate accounting records that were up to date; and
- 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 2020.

Alan Russell

Alan Russell

Treasurer
27 October 2020

Annual Governance Statement

Scope of Responsibility

Glasgow and 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 Joint Committee'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:

- Minute of Agreement between the member councils of the Joint Committee, <https://www.clydeplan-sdpa.gov.uk/planning-authority/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 sets out the key timelines for the preparation of the Strategic Development Plan and the Joint Committee's approach to engagement with our stakeholders on its development, this is reviewed annually;
- 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;
- Risk management arrangements including regular monitoring and review of significant risk exposures;
- Business continuity arrangements are in place and are kept under review by the management Team.

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;
- The Chief Finance Officer is the Treasurer who complies with the CIPFA Statement on the Role of The CFO in Public Services.

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 Internal 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 covering five key areas of governance:

- Business Planning and Performance Management;
- Internal Control Environment;
- Budgeting, Accounting and Financial Control;
- Risk Management and Business Continuity;
- Impact of coronavirus (COVID-19).

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 Internal 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 Internal 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.

The review has not identified any significant governance issues to be reported on for 2019/20 and no actions arising for the 2018/19 governance statement that require to be reported on.

This governance framework has been in place throughout the year. The outbreak of coronavirus (COVID-19) did not result in any changes to the governance arrangements for 2019/20. The risk of social distancing continuing and its potential impact on the governance arrangements continues to be reviewed and monitored through robust risk management arrangements.

Planning (Scotland) Act 2019

Following Scottish Government's review of the Scottish planning system the Planning (Scotland) Act came into effect on 25 July 2019.

A key provision of the new Act was the removal of the statutory duty on local authorities to prepare a Strategic Development Plan being replaced with a duty to prepare a Regional Spatial Strategy.

The Regional Spatial Strategy will not form part of the Statutory Development Plan, which is currently made up of the Strategic Development Plan and Local Development Plan. Under the terms of the new Act this will instead comprise the National Planning Framework and the Local Development Plan.

The current Clydeplan Strategic Development Plan (July 2017) will remain in force until the National Planning Framework 4 is approved by the Scottish Parliament, likely in 2022.

As a consequence of the new provisions of the Planning (Scotland) Act 2019 in respect of strategic planning, the Clydeplan Joint Committee at its meeting on 16 March 2020, agreed to support work to explore the future governance arrangements for the performance of the functions undertaken by the Joint Committee including the formal dissolution of the Joint Committee.

In this regard Glasgow City Council, working with the current host Authority, Renfrewshire Council, will implement a governance structure to manage the dissolution process and consider the continued contribution of the member authorities towards the strategic planning function for the Glasgow City Region. It is anticipated that this process will be completed within the 2021/22 financial year.

Assurance

In conclusion, it is our opinion that the annual review of governance together with the work of internal audit, any comments received from external audit 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.

Lawrence O'Neill

Councillor Lawrence O'Neill

Convenor
27 October 2020

Stuart Tait

Stuart Tait

Strategic Development Plan Manager
27 October 2020

Remuneration report

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

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.

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, which is currently the equivalent of 53% 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.

2018/19 Total Salary, fees and allowances £	Name	Post Held	2019/20 Total Salary, fees and allowances £
75,146	Stuart Tait	Strategic Development Plan Manager	77,441
53,153	Dorothy McDonald	Assistant Strategic Development Plan Manager	54,779
128,299	Total		132,220

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 2020, whether or not those amounts were actually paid to, or received by, those persons within that period.

Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS). From 1 April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices). The

scheme's normal retirement age is linked to the state pension age for each member.

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.

Tiered contribution rates on whole time pay for 2019/20		Equivalent bandings for 2018/19
Up to £21,800	5.5%	Up to £21,300
£21,801 to £26,700	7.25%	£21,300 to £26,100
£26,701 to £36,600	8.5%	£26,100 to £35,700
£36,601 to £48,800	9.5%	£35,700 to £47,600
Over £48,801	12%	Over £47,601

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).

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.

Name	Post Held	Accrued Pension benefits as at 31 March 2020				Pension Contributions made by the Joint Committee	
		As at 31 March 2020		Change from 31 March 2019		2019/20	2018/19
		Pension	Lump Sum	Pension	Lump Sum	2019/20	2018/19
		£000	£000	£000	£000	£000	£000
Stuart Tait	Strategic Development Plan Manager	0.038	0.062	0.004	0.002	14,946	14,470
Dorothy McDonald	Assistant Strategic Development Plan Manager	0.026	0.044	0.002	0.001	10,572	10,236

No pension contributions are made for the Joint Committee Convenor or Vice Convenor.

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 2019/20, in bands of £5,000.

2018/19 Number of employees	Remuneration Band	2019/20 Number of employees
1	£50,000 - £54,999	1
1	£75,000 - £79,999	1
2	Total	2

Exit Packages

Clydeplan have not agreed any exit packages in either 2019/20 or 2018/19.

Lawrence O'Neill

Councillor Lawrence O'Neill

Convenor
27 October 2020

Stuart Tait

Stuart Tait

Strategic Development Plan Manager
27 October 2020

Independent auditor's report to the members of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Glasgow and the Clyde Valley Strategic Development Planning Authority for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. 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 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of Glasgow and the Clyde Valley Strategic Development Planning Authority as at 31 March 2020 and of its income and expenditure 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 2019/20 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 under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is four years. I am independent of Glasgow and the Clyde Valley Strategic Development Planning Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to Glasgow and the Clyde Valley Strategic Development Planning Authority. 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Glasgow and the Clyde Valley Strategic Development Planning Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Treasurer and the Joint Committee 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 Glasgow and the Clyde Valley Strategic Development Planning Authority'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 deemed inappropriate.

The Joint Committee 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 economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. 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 matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

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 120 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.

Mark Ferris

Mark Ferris
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT
28 October 2020

Comprehensive Income and Expenditure Statement

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.

2018/19			Note	2019/20		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
588,701	0	588,701	Employee Costs	478,885	0	478,885
87,408	0	87,408	Premise Costs	27,503	0	27,503
76,316	0	76,316	Supplies & Services	252,159	0	252,159
18,825	0	18,825	Support Services	21,075	0	21,075
1,840	0	1,840	Transfer Payments	1,634	0	1,634
1,228	0	1,228	Transport Costs	1,896	0	1,896
0	(103,431)	(103,431)	Other Income	0	(278,510)	(278,510)
774,318	(103,431)	670,887	Cost of Services	783,152	(278,510)	504,642
			Financing and Investment Income and Expenditure			
0	(2,631)	(2,631)	Interest receivable	0	(2,631)	(2,631)
7,000	0	7,000	Pension interest cost	16,000	0	16,000
			Taxation and Non-Specific Grant Income			
0	(579,500)	(579,500)	Requisitions from Member Authorities	0	(419,500)	(419,500)
			12			
781,318	(685,562)	95,756	(Surplus)/Deficit on the Provision of Services	799,152	(700,641)	98,511
			Other Comprehensive Income & Expenditure			
		263,000	Actuarial (Gain)/Loss on pension assets and liabilities			(451,000)
			14a			
		358,756	Total Comprehensive Income and Expenditure			(352,489)

Movement in Reserves Statement

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.

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2019		(310,727)	599,606	288,879
Total Comprehensive Income and Expenditure		98,511	(451,000)	(352,489)
Adjustment between accounting basis and funding basis under regulation	6	(61,711)	61,711	0
Increase or (decrease) in year		36,800	(389,289)	(352,489)
Balance at 31 March 2020 carried forward		(273,927)	210,317	(63,610)

Comparative movements in 2018/19	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2018		(276,749)	206,872	(69,877)
Total Comprehensive Income and Expenditure		95,756	263,000	358,756
Adjustments between accounting basis and funding basis under regulations	6	(129,734)	129,734	0
Increase or (decrease) in year		(33,978)	392,734	358,756
Balance at 31 March 2019 carried forward		(310,727)	599,606	288,879

Balance Sheet

The Balance Sheet shows the value as at 31 March 2020 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. This category includes reserves that hold unrealised gains and losses in the value of assets.

As at 31 March 2019 £		Note	As at 31 March 2020 £
575,604	Funds held by Renfrewshire Council		461,797
1,314	Debtors and Prepayments	9	34
576,918	Current Assets		461,831
(251,297)	Creditors And Accruals	10	(196,221)
(28,500)	Provisions	11	0
(279,797)	Current Liabilities		(196,221)
(586,000)	Pension (Liability) / Asset	14c	(202,000)
(586,000)	Long Term Liabilities		(202,000)
(288,879)	Net Assets / (Liabilities)		63,610
(310,727)	Usable Reserves		(273,927)
599,606	Unusable Reserves		210,317
288,879	Total Reserves		(63,610)

The unaudited accounts were issued on 8 June 2020 and the audited accounts were authorised for issue on the date shown below.

Balance Sheet signed by:

Alan Russell

Alan Russell CPFA

Treasurer

27 October 2020

Note 1: Expenditure Funding Analysis

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committees financial performance on a funding basis and the Surplus or deficit on the Provision of Service in the Comprehensive Income and Expenditure statement.

2019/20	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	433,174	51,000	(5,289)	478,885
Premises Related Costs	27,503	0	0	27,503
Supplies & Services	252,159	0	0	252,159
Support Costs	21,075	0	0	21,075
Transfer Payments	1,634	0	0	1,634
Transport Costs	1,896	0	0	1,896
Other Income	(281,141)	0	0	(281,141)
Cost of Services	456,300	51,000	(5,289)	502,011
Other income and expenditure	(419,500)	16,000	0	(403,500)
(Surplus) / deficit on the Provision of Service	36,800	67,000	(5,289)	98,511

2018/19	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	465,967	123,000	(266)	588,701
Premises Related Costs	87,408	0	0	87,408
Supplies & Services	76,316	0	0	76,316
Support Costs	18,825	0	0	18,825
Transfer Payments	1,840	0	0	1,840
Transport Costs	1,228	0	0	1,228
Other Income	(106,062)	0	0	(106,062)
Cost of Services	545,522	123,000	(266)	668,256
Other income and expenditure	(579,500)	7,000	0	(572,500)
(Surplus) / deficit on the Provision of Service	(33,978)	130,000	(266)	95,756

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. The following new or amended standards are adopted within the 2020/21 Code:

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015–2017 Cycle;
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.

The Code requires implementation from 1 April 2020 and there is therefore no impact on the 2019/20

accounts. There is no material impact anticipated in future years from the implementation of these standards.

Note 3: Assumptions made about the future

The Annual Accounts contain 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 2020 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 £0.482m, equating to an 11% increase.

Note 4: Unusable Reserves

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The 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 debit balance on the Pension Reserve shows a significant shortfall in the benefits earned by past and current employees and the Joint Committee's share of Strathclyde Pension Fund resources available to meet them. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid.

2018/19 £	Pension Reserve	2019/20 £
193,000	Balance as at 1 April	586,000
263,000	Actuarial (Gain)/Loss on pension assets and liabilities	(451,000)
130,000	Reversal of items relating to retirement benefits charged to the Surplus or Deficit on the Provision of Services in the CIES	67,000
586,000	Balance as at 31 March	202,000

Employee Statutory Adjustment Account

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 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.

2018/19 £	Employee Statutory Adjustment Account	2019/20 £
13,872	Balance as at 1 April	13,606
(13,872)	Reversal of prior year accrual for short-term accumulating compensated absences	(13,606)
13,606	Recognition of the accrual for short-term accumulating compensating absences at 31 March	8,317
13,606	Balance as at 31 March	8,317

Note 5: Events after the Balance Sheet date

Events taking place after the authorised for 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 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 6: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserves was £61,711 less 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.

2019/20	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(129,000)	129,000
Employers contributions payable to the Strathclyde Pension Fund	62,000	(62,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	5,289	(5,289)
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(61,711)	61,711

2018/19	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(193,000)	193,000
Employers contributions payable to the Strathclyde Pension Fund	63,000	(63,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	266	(266)
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(129,734)	129,734

Note 7: 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 Clydeplan and the GCVGNP: The SDP manager and assistant manager are Chair and Vice Chair of the GCVGNP Committee; the Clydeplan Joint Committee acts for its constituent local authorities to agree local authority funding to support the GCVGNP Business Plan; the Clydeplan Joint Committee approves the GCVGNP 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 Clydeplan and GCVGNP share offices in 40 John Street, Glasgow.

As well as the SDP manager, the GCVGNP committee 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 Clydeplan and the GCVGNP is not a joint arrangement and so outside the scope of IFRS 11 (Joint Arrangements).

Financial Performance

Revenue

GCVGNP has returned a surplus of £5,715 (2018/19 £3,967 restated), against a budgeted breakeven position. The surplus is a result of a reduction in expenditure in property costs to offset the overspend in Employee Costs and Supplies and Services. Income

from Projects has decreased by £6,000 in 2019/20, but this has been offset by income from new funding partner NHS Health Scotland.

GCVGNP is a significant regional component of the Central Scotland Green Network (CSGN). As a result, the GCVGNP secures additional funding for various projects related to the CSGN. The total project

expenditure by the GCVGNP during 2019/20 was nil (2018/19 £15,566). The GCVGNP has been a key partner in the study and planning of the development of the Seven Lochs Wetland Park.

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

2018/19 £	Council	Percentage	2019/20 £
5,589	East Dunbartonshire	2.9%	5,756
4,758	East Renfrewshire	2.5%	4,900
31,019	Glasgow City	16.0%	31,949
4,322	Inverclyde	2.2%	4,451
17,306	North Lanarkshire	8.9%	17,825
9,040	Renfrewshire	4.7%	9,311
16,497	South Lanarkshire	8.5%	16,992
4,855	West Dunbartonshire	2.5%	5,001
Third Party			
30,594	Scottish National Heritage	16.8%	33,619
30,594	Scottish Forestry	16.2%	32,276
7,000	Glasgow Centre for Population Health	3.6%	7,210
4,669	Scottish Environmental Protection Agency	2.4%	4,809
20,693	Central Scotland Green Network	9.4%	18,737
0	NHS Health Scotland	3.5%	7,000
186,936	Total Green Network Partnership Funding	100.0%	199,836

Reserves

The Partnership retains financial reserves to offset any liabilities of the Partnership. The following table shows the value of the Partnerships reserves at 31 March 2020. This is analysed into Usable reserves, which is derived from partnership funding and can be used to fund expenditure, and Unusable reserves, which cannot be used to fund expenditure.

2018/19 £	Reserves	2019/20 £
(93,561)	Usable Reserves	(99,299)
Unusable Reserves:		
5,672	Employee Statutory Adjustment Account	1,178
261,000	Pension Reserve	192,000
173,111	Total	93,879

Note 8: Operating Leases

The Joint Committee terminated the operating lease on the office accommodation at West Regent Street in Glasgow in October 2019. Twenty five percent of the accommodation costs were paid by The Green Network Partnership. Clydeplan and Green Network have moved to Glasgow City Council at 40 John Street Glasgow. There is no rental charge for this accommodation, therefore no lease cost in 2019/20. (2018/19 £26,050).

Note 9: Debtors

Other receivables at 31 March 2020 amounted to £34 (£1,314 2018/19).

Note 10: Creditors

As at 31 March 2019 £	Short-term Creditors	As at 31 March 2020 £
(251,297)	Other Payables	(196,221)
(251,297)	Total	(196,221)

Note 11: Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires a settlement by a transfer of economic benefit or service potential, and a reliable estimate can be made of the amount of the obligation.

During 2019/20, a decision was made not to extend the lease at West Regent Street and as a result, dilapidation costs were charged. The provision made for this in 2018/19 was more than the eventual cost of the dilapidation charged and therefore the balance of this provision was reversed into Premises Related Costs.

	2019/20 £
Balance at 1 April 2019	(28,500)
Amounts used in year	10,332
Unused amounts reversed in year	18,168
Balance at 31 March 2020	0

Note 12: 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.

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 (2018/19 £23,200). A proportion of the cost is paid by the Green Network Partnership. The amount paid in respect of these services by the Clydeplan for the year ended 31 March 2020 was £18,900 (2018/19 £18,900). At its meeting in December 2019 the Joint Committee agreed to reduce the requisition levels for each member authority by £20,000 to bring usable reserves to an appropriate level.

2018/19 £	Council	%	2019/20 £
72,437.50	East Dunbartonshire	12.5%	52,437.50
72,437.50	East Renfrewshire	12.5%	52,437.50
72,437.50	Glasgow City	12.5%	52,437.50
72,437.50	Inverclyde	12.5%	52,437.50
72,437.50	North Lanarkshire	12.5%	52,437.50
72,437.50	Renfrewshire	12.5%	52,437.50
72,437.50	South Lanarkshire	12.5%	52,437.50
72,437.50	West Dunbartonshire	12.5%	52,437.50
579,500.00	GCVSDPA Funding	#####	419,500.00

Note 13: External audit costs

2018/19 £		2019/20 £
2,900	Fees payable with regard to external audit services carried out by the appointed auditor	2,960
2,900	Total	2,960

Note 14: 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 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.

14a: 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.

Current service cost is the cost of future entitlements to pension payments to current employees.

Past service cost is the estimated increase in liabilities arising from current decisions that relates to years of service earned prior to this year. For 2019/20 this includes an estimate for the impact of potential removal of transitional arrangements (McCloud judgement).

Net interest 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.

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.

The following transactions have been made in the accounting statements in 2019/20:

2018/19 £		2019/20 £
	Comprehensive Income & Expenditure Statement (CIES)	
128,000	Current service cost	144,000
58,000	Past service cost	(31,000)
186,000		113,000
	Financing and Investment Income & Expenditure	
7,000	Net interest	16,000
193,000	Post-employment benefit charged to the Surplus/Deficit on the Provision of Services	129,000
	Other post employment benefit charged to the CIES	
(131,000)	Return on assets excluding amounts included in net interest	286,000
394,000	Actuarial (gains)/losses arising on changes in financial assumptions	(737,000)
263,000	Total Actuarial (Gain)/Loss	(451,000)
456,000	Total post employment benefit charged to the CIES	(322,000)
	Movement in Reserves Statement	
(393,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	384,000
63,000	Employers Contributions paid to Strathclyde Pension Fund	62,000

Notes

- The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2019/20 these amounted to £8,970 (2018/19 £8,758).
- In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, an actuarial gain of £0.451m is included in the Movement in Reserves Statement (2018/19 £0.263m loss).

14b: 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:

2018/19 £000		2019/20 £000
4,229	Opening Present Value	4,881
128	Current service cost	144
58	Past Service Cost	(31)
116	Interest Cost	119
26	Employee Contributions	23
(70)	Benefits Paid	(72)
	Remeasurement (gains)/losses:	
394	Actuarial (gains)/losses arising from changes in financial assumptions	(737)
4,881	Closing Present Value	4,327

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

2018/19 £000		2019/20 £000
4,036	Opening Fair Value	4,295
109	Interest Income	103
63	Contributions from employer	62
26	Contributions from employee	23
(70)	Benefits Paid	(72)
	Remeasurement gain/(loss):	
131	Return on assets excluding amounts included in net interest	(286)
4,295	Closing Fair Value	4,125

14c: Fund history

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Present Value of Liabilities	(3,454)	(4,639)	(4,229)	(4,881)	(4,327)
Fair value of assets	2,992	3,699	4,036	4,295	4,125
Surplus/(deficit) in the scheme	(462)	(940)	(193)	(586)	(202)

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

The net liability of £0.202m 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 2021 is £0.062m.

14d: 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 2017.

The principal assumptions used by the actuary have been:

2018/19	Mortality assumptions	2019/20
Longevity at 65 for current pensioners (years)		
21.4	Men	20.7
23.7	Women	22.9
Longevity at 65 for future pensioners (years)		
23.4	Men	22.2
25.8	Women	24.6
2018/19	Other assumptions	2019/20
3.6%	Rate of increase in salaries	3.0%
2.4%	Rate of increase in pensions	1.9%
2.7%	Rate for discounting scheme liabilities	2.3%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

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

2018/19			2019/20
£000		%	£000
993	Equity Securities	23.1%	954
135	Debt Securities	3.1%	129
513	Private Equity	12.0%	493
389	Real Estate	9.1%	374
1,831	Investment Funds and	42.6%	1,758
434	Cash & Cash Equivalents	10.1%	417
4,295		100.0%	4,125

14e: 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 2019/20 and 2020/21.

Note 15: Contingent Liabilities and Assets

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women; however overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension.

The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits.

Strathclyde Pension Fund’s actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £21,000 for Clydeplan. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 16: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee’s transactions for the 2019/20 financial year and its financial position as at 31 March 2020. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Code is issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and is designed to give a true and fair view of the financial performance of the Joint Committee.

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of pension assets and liabilities where appropriate. The Annual Accounts have been prepared on a going concern basis.

Materiality refers to a level of information or value of such significance that it could influence the decisions or assessments of users of the Annual Accounts by its presence or omission.

B 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:

- 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;
- Revenue from the provision of services is recognised when the authority satisfies the performance obligation of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- 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;
- 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;
- Suppliers invoices paid in the one week 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.

C Contingent Liabilities

Contingent liabilities are disclosed in the accounts, but not recognised in the Balance Sheet, in circumstances where:

- an event has taken place that gives the Committee a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee; or
- a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

D 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 entitlements earned by employees but not taken before the year end; and which employees may carry forward into the next financial year.

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 payment 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. 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 i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates 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.

E 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.

F Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

G 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 Statement 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. When conditions are satisfied, the grant or contribution is credited to the Specific Grant Income line in the CIES.

H 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.

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 (e.g., 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.

I Non-current Assets

Clydeplan carried out a review during 2019/20 on plant and equipment and intangible assets and deemed that no items currently qualify for recognition. Assets that are held for use in the supply of services or other administrative purposes and are expected to be used for more than one year are

classified as property, plant and equipment and intangible assets.

Assets costing less than £9,000 are not treated as capital expenditure.

J Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires a settlement by a transfer of economic benefit 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. 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.

K Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are unrealised net gains that have a deferred impact on the Joint Committee.

Usable Reserves

The Revenue Reserve represents surplus funds held by the Joint Committee, which are ultimately repayable to the constituent authorities in the same allocation proportions as the requisitions.

Unusable Reserves

The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Joint Committee's 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 CIES.

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the Revenue Reserve from accruing for compensated absences earned, but not taken in the year, e.g. annual leave entitlement carried forward at 31 March each year.

L 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.