



Glasgow and the Clyde Valley
Strategic Development Planning Authority

Unaudited Annual Accounts
2020/21

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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 2020/21 and to help readers understand its financial position at 31 March 2021. In addition, it outlines the main risks and uncertainties facing Clydeplan for the financial year 2020/21 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 2020/21, the Chair of the Joint Committee was Councillor Lawrence O'Neill of West Dunbartonshire Council and 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 and regional spatial planning related activity, consultations and reports presented to the Joint Committee on the work programme to be undertaken by the Clydeplan Core Team.

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) has a strong relationship with Clydeplan and an overview of the Partnership is provided at Note 8: Green Network Partnership on page 19.

Strategic Development

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.

Planning (Scotland) Act 2019

The Planning (Scotland) Act 2019 became law on 25 July 2019, requiring the development of Regional Spatial Strategies by planning authorities, rather than Strategic Development Plans. This has led to the creation of Glasgow City Region and its related Portfolio groupings, including:

- Land Use and Sustainability;
- Transport and Connectivity;
- Housing and Equalities;

- Infrastructure and Assets;
- Economic Delivery Group.

In particular, Clydeplan, supported by the Land Use and Sustainability Portfolio, took the lead on the production of an 'Indicative Regional Spatial Strategy', submitted in June 2020 in support of the Scottish Government's development of National Planning Framework 4.

In addition, Clydeplan developed a Forestry and Woodland Strategy for the City Region that was approved by the Joint Committee in December 2020.

Clydeplan has also provided technical mapping and data support to the Glasgow City Deal Programme Management Office in respect of the £1.13bn Infrastructure Investment Fund.

The principle focus for 2021/22 will involve working closely with the Clydeplan's Steering Group and the City Region's Land Use and Sustainability portfolio to support the implementation of the new Planning (Scotland) Act 2019 and related City Region activities.

In fulfilment of its Minute of Agreement and the existing requirements of the 2006 Planning Act, the Joint Committee approved its Annual Report and its Development Plan Scheme and Participation Statement in March 2021. 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>Development Plan Scheme and Participation Statement>

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 2021. 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 surplus of £91,777 for the financial year 2020/21 against a budgeted breakeven position. This 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 £58k and accrued employee benefits of £1k.

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

	Budget £	Actual £	Variance £
Employee Costs	506,500	507,317	(817)
Property Costs	41,300	14,313	26,987
Supplies and Services	57,000	150,793	(93,793)
Support Services	20,500	19,970	530
Transfer Payments	2,700	1,917	783
Transport Payments	5,500	371	5,129
Total Expenditure	633,500	694,681	(61,181)
Requisition Income	(579,500)	(579,500)	0
Other Income	(54,000)	(206,958)	152,958
Total Income	(633,500)	(786,458)	152,958
(Surplus)/Deficit for Year	0	(91,777)	91,777

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 in October 2019.

The overspend in Supplies and Services is largely the result of unbudgeted Project expenditure within the Clyde Estuary Forum (£96k), offset by other minor underspends. This Project expenditure has been recovered in Other Income.

Other Income is over-recovered mainly due to the Clyde Estuary project income (£96k) as well as secondment income from the City Region Team at Glasgow City Council (£14k). Each Local Authority received a grant of £5K for the Regional Spatial Strategy, which came directly to Clydeplan.

The Balance Sheet at 31 March 2021

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 2021 to that of the prior year, an overall decrease in net worth of the organisation of £54k can be seen. This is primarily due to the increase 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 £347k, an increase of £145k in their assessment of Clydeplan's share of the pension fund liability. This can be attributed to market movements prompted by the pandemic and lockdowns, among other factors, which therefore affect the assets returns and value.

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 24; 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 2021 is £384k.

Outlook and Future Plans

Governance

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.

At its meeting on 8 March 2021, the Clydeplan Joint Committee agreed to recommend to all eight local authorities that they continue to work jointly to discharge their duty under the Planning (Scotland) Act 2019 to prepare a Regional Spatial Strategy (RSS).

The proposed model includes oversight and development of the RSS by a new political collaborative within Glasgow City Region's governance structure. This collaborative would recommend the RSS to the City Region Cabinet for approval. Glasgow City Council would take on the role of host authority.

In this respect the Glasgow City Region will continue to discharge its duty, as set out in the Planning (Scotland) Act 2019 to prepare a Regional Spatial Strategy, once National Planning Framework 4 has been approved by the Scottish Government in 2022.

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. Further reports to the Joint Committee over the course of 2021/22 will confirm the process and timescale for the transition of the ClydePlan governance structure.

Budget 2021/22

The 2021/22 budget for ClydePlan was approved by the Joint Committee on 14 December 2020.

Since then notification has been given that the Green Network Partnership Manager is retiring in May 2021, and the post will not be filled. This result is Green Network Partnership staff reducing to 1.6 FTE. Furthermore, at its meeting on 12 May the Partnership decided that that the 2021/22 budget will consist only of requisitions from the eight local authorities.

These changes have necessitated a revised budget proposal, which will be reported for approval at the Joint Committee on 13 September 2021.

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, have continued, 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 our thanks to both the Strategic Development Plan Manager and all staff for their continued hard work and support.



Councillor Lawrence O'Neill

Convener

14 June 2021

Stuart Tait

Strategic Development Plan Manager

14 June 2021

Alan Russell

Treasurer

14 June 2021

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 14 June 2021.

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

Councillor Lawrence O'Neill

Convener

14 June 2021

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 2021.



Alan Russell

Treasurer

14 June 2021

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 2020/21 and no actions arising for the 2019/20 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 2020/21. During the year all officers continued to work from home with negligible impact on service delivery. Meetings of the Joint Committee were also held virtually. The arrangements in place are still considered to be effective. 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 8 March 2021, agreed to explore options in respect of the future governance arrangements for the performance of the functions undertaken by the Joint Committee including the formal dissolution of the Joint Committee and the possible governance being embedded into the Glasgow City Region's governance structures.

In this regard Glasgow City Council, working with the current host Authority, Renfrewshire Council, to potentially implement a governance structure to manage any future 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.

Councillor Lawrence O'Neill

Convener

14 June 2021

Stuart Tait

Strategic Development Plan Manager

14 June 2021

Remuneration Report

All information disclosed in the tables in this Remuneration Report will be audited by the 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 2 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.

2019/20 Total Salary, fees and allowances £	Name	Post Held	2020/21 Total Salary, fees and allowances £
77,441	Stuart Tait	Strategic Development Plan Manager	79,323
54,779	Dorothy McDonald	Assistant Strategic Development Plan Manager	56,111
132,220	Total		135,434

The above tables show the relevant amounts, before tax and other deductions, due to each of the persons named for the year to 31 March 2021, whether or not those amounts were actually paid 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 2020/21		Tiered Contribution rates for 2019/20
Up to £22,200	5.5%	Up to £21,800
£22,201 to £27,100	7.25%	£21,801 to £26,700
£27,101 to £37,200	8.5%	£26,701 to £36,600
£37,201 to £49,600	9.5%	£36,601 to £48,800
Over £49,601	12%	Over £48,801

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).

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 2021				Pension Contributions made by the Joint Committee	
		As at 31 March 2021		Change from 31 March 2020		2020/21	2019/20
		Pension	Lump Sum	Pension	Lump Sum		
		£000	£000	£000	£000	£	£
Stuart Tait	Strategic Development Plan Manager	39	64	1	2	15,309	14,946
Dorothy McDonald	Assistant Strategic Development Plan Manager	27	45	1	1	10,829	10,572

No pension contributions are made for the Joint Committee Convener 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 2020/21, in bands of £5,000.

2019/20 Number of employees	Remuneration Band	2020/21 Number of employees
1	£50,000 - £54,999	0
0	£55,000 - £59,999	1
1	£75,000 - £79,999	1
2	Total	2

Exit Packages

Clydeplan has not agreed any exit packages in either 2020/21 or 2019/20.

Councillor Lawrence O'Neill

Convener
14 June 2021

Stuart Tait

Strategic Development Plan Manager
14 June 2021

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.

2019/20 (restated)			Note	2020/21		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
478,885	0	478,885	Employee Costs	566,332	0	566,332
9,335	0	9,335	Premise Costs	14,313	0	14,313
252,159	0	252,159	Supplies & Services	150,793	0	150,793
21,075	0	21,075	Support Costs	19,970	0	19,970
1,634	0	1,634	Transfer Payments	1,917	0	1,917
1,896	0	1,896	Transport Costs	371	0	371
0	(278,510)	(278,510)	Other Income	0	(205,444)	(205,444)
764,984	(278,510)	486,474	Cost of Services	753,696	(205,444)	548,252
			Financing and Investment Income and Expenditure			
0	(2,631)	(2,631)	Interest receivable	0	(1,514)	(1,514)
16,000	0	16,000	Pension interest cost	6,000	0	6,000
			Taxation and Non-Specific Grant Income			
0	(419,500)	(419,500)	Requisitions from Member Authorities	0	(579,500)	(579,500)
				12		
780,984	(700,641)	80,343	(Surplus)/Deficit on the Provision of Services	759,696	(786,458)	(26,762)
			Other Comprehensive Income & Expenditure			
		(451,000)	Actuarial (Gain)/Loss on pension assets and liabilities			81,000
						14a
		(370,657)	Total Comprehensive Income and Expenditure			54,238

Note: Figures in brackets represent income or gains and figures without brackets represent expenditure or losses.

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 2020		(292,095)	210,317	(81,778)
Total Comprehensive Income and Expenditure		(26,762)	81,000	54,238
Adjustment between accounting basis and funding basis under regulation	7	(65,015)	65,015	0
Increase or (decrease) in year		(91,777)	146,015	54,238
Balance at 31 March 2021 carried forward		(383,872)	356,332	(27,540)

Comparative movements in 2019/20 (restated)	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2019		(310,727)	599,606	288,879
Total Comprehensive Income and Expenditure		80,343	(451,000)	(370,657)
Adjustments between accounting basis and funding basis under regulations	7	(61,711)	61,711	0
Increase or (decrease) in year		18,632	(389,289)	(370,657)
Balance at 31 March 2020 carried forward		(292,095)	210,317	(81,778)

Balance Sheet

The Balance Sheet shows the value as at 31 March 2021 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 £	As at 31 March 2020 (restated) £		Note	As at 31 March 2021 £
575,604	461,797	Funds held by Renfrewshire Council		493,396
1,314	34	Debtors and Prepayments	9	15,162
576,918	461,831	Current Assets		508,558
(251,297)	(178,053)	Creditors And Accruals	10	(134,018)
(28,500)	0	Provisions	11	0
(279,797)	(178,053)	Current Liabilities		(134,018)
(586,000)	(202,000)	Pension (Liability) / Asset	14c	(347,000)
(586,000)	(202,000)	Long Term Liabilities		(347,000)
(288,879)	81,778	Net Assets / (Liabilities)		27,540
(310,727)	(292,095)	Usable Reserves		(383,872)
599,606	210,317	Unusable Reserves		356,332
288,879	(81,778)	Total Reserves		(27,540)

The unaudited accounts were authorised for issue on 14 June 2021.



Alan Russell CPFA

Treasurer

14 June 2021

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.

2020/21	Net Expenditure chargeable to the Joint Committee £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	507,317	58,000	1,015	566,332
Premises Costs	14,313	0	0	14,313
Supplies & Services	150,793	0	0	150,793
Support Costs	19,970	0	0	19,970
Transfer Payments	1,917	0	0	1,917
Transport Costs	371	0	0	371
Other Income	(206,958)	0	1,514	(205,444)
Cost of Services	487,723	58,000	2,529	548,252
Other income and expenditure	(579,500)	6,000	(1,514)	(575,014)
(Surplus)/Deficit on the Provision of Service	(91,777)	64,000	1,015	(26,762)

2019/20 (restated)	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 Costs	9,335	0	0	9,335
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	(2,631)	(283,772)
Cost of Services	438,132	51,000	(7,920)	481,212
Other income and expenditure	(419,500)	16,000	2,631	(400,869)
(Surplus)/Deficit on the Provision of Service	18,632	67,000	(5,289)	80,343

Note 2: Prior Year Restatement

In 2019/20 an unused provision for dilapidation costs of £18,168 was incorrectly attributed to Creditors instead of crediting Premises Costs in the revenue outturn and CIES. As a result, a restatement has been disclosed in the 2019/20 results. The effect on the CIES is as follows:

CIES	Originally Stated at 31 March 2020 £	Restated as at 31 March 2020 £	Amount of Restatement £
Premises Costs	27,503	9,335	(18,168)
Cost of Services	504,642	486,474	(18,168)
(Surplus)/Deficit on the Provision of Services	98,511	80,343	(18,168)
Total Comprehensive Income and Expenditure	(352,489)	370,657	18,168

The Code requires that the Joint Committee presents a third Balance Sheet at the beginning of the preceding financial year when the Board makes a retrospective restatement. The additional Balance Sheet is presented on page 14, which shows opening balances at 1 April 2019.

The following restatement was also required for the Movement in Reserves Statement. The restated prior period Movement in Reserves Statement is provided with the current year information on page 13.

Usable Revenue Reserve	Originally Stated at 31 March 2020 £	Restated as at 31 March 2020 £	Amount of Restatement £
Balance at 1 April 2019	(310,727)	(310,727)	0
Total Comprehensive Income and Expenditure	(98,511)	(80,343)	18,168
Adjustments between accounting basis and funding basis under regulations	61,711	61,711	0
Balance at 1 April 2020	(273,927)	(292,095)	(18,168)

Note 3: 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:

- Definition of a Business: Amendments to IFRS 3 Business Combinations;
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7;

- Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The Code requires implementation from 1 April 2021 and there is therefore no impact on the 2020/21 accounts. There is no material impact anticipated in future years from the implementation of these standards.

Note 4: 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 2021 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 £0.503m, equating to a 10% increase.

Note 5: 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.

2019/20 £	Pension Reserve	2020/21 £
586,000	Balance as at 1 April	202,000
(451,000)	Actuarial (Gain)/Loss on pension assets and liabilities	81,000
67,000	Reversal of items relating to retirement benefits charged to the Surplus or Deficit on the Provision of Services in the CIES	64,000
202,000	Balance as at 31 March	347,000

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.

2019/20 £	Employee Statutory Adjustment Account	2020/21 £
13,606	Balance as at 1 April	8,317
(13,606)	Reversal of prior year accrual for short-term accumulating compensated absences	(8,317)
8,317	Recognition of the accrual for short-term accumulating compensating absences at 31 March	9,332
8,317	Balance as at 31 March	9,332

Note 6: 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 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 7: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserves was £65,015 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.

2020/21	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(133,000)	133,000
Employers contributions payable to the Strathclyde Pension Fund	69,000	(69,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(1,015)	1,015
Net additional amount required to be debited or credited to the Revenue Reserves balance for the year	(65,015)	65,015

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

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 Clydeplan and the GCVGNP: The SDP manager and assistant manager are Chair and Vice Chair of the GCVGNP Committee respectively; 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).

In May 2021, the Green Network Manager retired, and the post will not be filled. This leaves GCVGNP with two staff members.

At its Partnership meeting on 12 May 2021, the GCVGNP approved a change to the contribution funding, whereby, the funding for 2021/22 and future years will only consist of the contributions from the eight local authorities.

Financial Performance

Revenue

GCVGNP has returned a surplus of £14k against a budgeted deficit of £4k, giving a net position of £10k (2019/20 £6k). The surplus is a result of a reduction in expenditure in property costs due to the move to 40 John Street. Reduction in requisition income from Scottish Forestry and Scottish Natural Heritage is due to a reduction in expenditure.

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 GCVGNP has been a key partner in the study and planning of the development of the Seven Lochs Wetland Park; however, there was no project expenditure by the GCVGNP in either 2020/21 or 2019/20.

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

2019/20 £	Council	Percentage	2020/21 £
5,756	East Dunbartonshire	2.9%	5,756
4,900	East Renfrewshire	2.5%	4,900
31,949	Glasgow City	16.2%	31,949
4,451	Inverclyde	2.3%	4,451
17,825	North Lanarkshire	9.0%	17,825
9,311	Renfrewshire	4.7%	9,311
16,992	South Lanarkshire	8.6%	16,992
5,001	West Dunbartonshire	2.5%	5,001
Third Party			
33,619	Scottish National Heritage	16.0%	31,627
32,276	Scottish Forestry	16.5%	32,577
7,210	Glasgow Centre for Population Health	3.7%	7,210
4,809	Scottish Environmental Protection Agency	2.4%	4,809
18,737	Central Scotland Green Network	9.1%	18,005
7,000	NHS Health Scotland	3.5%	7,000
199,836	Total Green Network Partnership Funding	100.0%	197,413

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 2021. 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.

2019/20 £	Reserves	2020/21 £
(99,299)	Usable Reserves	(113,306)
	Unusable Reserves:	
1,178	Employee Statutory Adjustment Account	3,109
192,000	Pension Reserve	312,000
93,879	Total	201,803

Note 9: Debtors

As at 31 March 2020 £	Short-term Debtors	As at 31 March 2021 £
34	Prepayments	2,020
0	Other receivables	13,142
34	Total	15,162

Note 10: Creditors

As at 31 March 2020 (restated) £	Short-term Creditors	As at 31 March 2021 £
0	Trade Payables	(9,332)
(178,053)	Other Payables	(124,686)
(178,053)	Total	(134,018)

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.

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 in 2019/20. There were no further transactions in 2020/21.

	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 2021	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 (2019/20 £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 2021 was £18,900 (2019/20 £18,900).

2019/20 £	Council	%	2020/21 £
52,437.50	East Dunbartonshire	12.5%	72,437.50
52,437.50	East Renfrewshire	12.5%	72,437.50
52,437.50	Glasgow City	12.5%	72,437.50
52,437.50	Inverclyde	12.5%	72,437.50
52,437.50	North Lanarkshire	12.5%	72,437.50
52,437.50	Renfrewshire	12.5%	72,437.50
52,437.50	South Lanarkshire	12.5%	72,437.50
52,437.50	West Dunbartonshire	12.5%	72,437.50
419,500.00	GCVSDPA Funding	100.0%	579,500.00

Note 13: External audit costs

2019/20 £		2020/21 £
2,960	Fees payable with regard to external audit services carried out by the appointed auditor	3,040
2,960	Total	3,040

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.

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 2020/21:

2019/20 £		2020/21 £
	Comprehensive Income & Expenditure Statement (CIES)	
144,000	Current service cost	127,000
(31,000)	Past service cost	0
113,000		127,000
	Financing and Investment Income & Expenditure	
16,000	Net interest	6,000
129,000	Post-employment benefit charged to the Surplus/Deficit on the Provision of Services	133,000
	Other post employment benefit charged to the CIES	
286,000	Return on assets excluding amounts included in net interest	(523,000)
(737,000)	Actuarial (gains)/losses arising on changes in financial assumptions	604,000
(451,000)	Total Actuarial (Gain)/Loss	81,000
(322,000)	Total post employment benefit charged to the CIES	214,000
	Movement in Reserves Statement	
384,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	(145,000)
62,000	Employers Contributions paid to Strathclyde Pension Fund	69,000

Notes

- The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2020/21 these amounted to £9,125 (2019/20 £8,970).
- In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, an actuarial loss of £81k is included in the Movement in Reserves Statement (2019/20 £451k gain).

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:

2019/20 £000		2020/21 £000
4,881	Opening Present Value	4,327
144	Current service cost	127
(31)	Past Service Cost	0
119	Interest Cost	101
23	Employee Contributions	26
(72)	Benefits Paid	(76)
	Remeasurement (gains)/losses:	
(737)	Actuarial (gains)/losses arising from changes in financial assumptions	604
4,327	Closing Present Value	5,109

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

2019/20 £000		2020/21 £000
4,295	Opening Fair Value	4,125
103	Interest Income	95
62	Contributions from employer	69
23	Contributions from employee	26
(72)	Benefits Paid	(76)
	Remeasurement gain/(loss):	
(286)	Return on assets excluding amounts included in net interest	523
4,125	Closing Fair Value	4,762

14c: Fund history

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Present Value of Liabilities	(4,639)	(4,229)	(4,881)	(4,327)	(5,109)
Fair value of assets	3,699	4,036	4,295	4,125	4,762
Surplus/(deficit) in the scheme	(940)	(193)	(586)	(202)	(347)

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

The net liability of £347k 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 2022 is £69k.

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 2020.

The principal assumptions used by the actuary have been:

2019/20	Mortality assumptions	2020/21
Longevity at 65 for current pensioners (years)		
20.7	Men	19.8
22.9	Women	22.6
Longevity at 65 for future pensioners (years)		
22.2	Men	21.2
24.6	Women	24.7
2019/20	Other assumptions	2020/21
3.0%	Rate of increase in salaries	3.6%
1.9%	Rate of increase in pensions	2.9%
2.3%	Rate for discounting scheme liabilities	2.0%
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:

2019/20 £000		%	2020/21 £000
954	Equity Securities	22.8%	1,086
129	Debt Securities	0.0%	0
493	Private Equity	18.4%	877
374	Real Estate	8.1%	387
1,758	Investment Funds and	48.8%	2,323
417	Cash & Cash Equivalents	1.9%	89
4,125		100.0%	4,762

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 2020/21 and 2021/22.

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 £21k 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 2020/21 financial year and its financial position as at 31 March 2021. 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 Non-current Assets

Clydeplan carried out a review during 2020/21 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 classed as property, plant and equipment and intangible assets. Assets costing less than £9,000 are not treated as capital expenditure.

I 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.

J 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.

K 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.