

LANARKSHIRE VALUATION JOINT BOARD
ANNUAL ACCOUNTS
2025/2026



List of Contents

Contents		
Membership of the Board (2025/2026)		3
Management Commentary		4
Statement of Responsibilities		10
Annual Governance Statement		12
Remuneration Report		17
Comprehensive Income and Expenditure Statement		22
Balance Sheet		23
Movement in Reserves Statement		24
Cash Flow Statement		26
Notes to the Financial Statements		
Note 1	Accounting Policies	28
Note 2	Prior Period Adjustments	30
Note 3	Accounting Standards issued but not Adopted	30
Note 4	Critical Judgements in Applying Accounting Policies	30
Note 5	Expenditure and Funding Analysis	31
Note 6	Notes to the Expenditure and Funding Analysis - Adjustments Between Funding and Accounting Basis	32
Note 7	Adjustments between Accounting Basis and Funding Basis Under Regulations	33
Note 8	Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty	34
Note 9	Events after the Balance Sheet date	34
Note 10	Contingent Liabilities	34
Note 11	Leases	35
Note 12	Property, Plant and Equipment – Movement on Balances	36
Note 13	Short Term Debtors	36
Note 14	Short Term Creditors	37
Note 15	Related Party Transactions	37
Note 16	Defined Benefit Pension Schemes	37
Note 17	External Audit Costs	41
Note 18	Grant Income	41
Note 19	Balance Sheet Reserves	42
Note 20	Financing and Management of Liquid Resources	43
Note 21	Comprehensive Income and Expenditure Statement - financing and investment income and expenditure	43
Note 22	Going Concern	43
Note 23	Agency Relationship (Civil Penalties)	43
Audit Arrangements		44

Membership of the Board (2025/2026)

Lanarkshire Valuation Joint Board (herein after referred to as 'the Board') is comprised of Elected Members from its two constituent local authorities. The serving Members of the Board during financial year 2025/2026 were as noted below:

South Lanarkshire Council

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

North Lanarkshire Council

Councillor Jim Reddin (Depute Convener)
Councillor Bob Burgess
Councillor Lesley Jarvie
Councillor Tom Johnston
Councillor Anne Thomas
Councillor Margaret Hughes
Councillor Nicky Shevlin

Chief Officers

Assessor and Electoral Registration Officer: Christine Maxwell BSc MRICS
(to 31 December 2025)

Jacqueline Dell MRICS Dip Rating AEA (Cert)
(from 1 January 2026)

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

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

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

Management Commentary 2025/2026

The management commentary provides an overview of the key messages in relation to the objectives and strategy of Lanarkshire Valuation Joint Board (the Board) and its financial performance for the year ended 31 March 2026. It also provides an indication of the issues and risks that may impact upon the Board's finances in the future.

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

Core Purpose, Vision, Service Function and Core Objectives

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

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

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

Review of Performance

The Board's performance against key performance indicator (KPI) targets during 2025/2026 is detailed below:

Of 2,145 new council tax entries added, 93% were completed within 3 months of the effective date against a target of 87%, 98% were completed within 6 months against a target of 92%.

Of 1,416 alterations to the non-domestic valuation roll, 44% were completed within 3 months of the effective date against a target of 77% and 54% were completed within 6 months against a target of 92%.

The three-monthly and six-monthly targets were met in relation to council tax valuation but not met regarding non-domestic valuation. Within Scotland, LVJB is an outlier where some targets are stringent and unachievable. Across Scotland many offices have rebased their targets, based on previous performance and statutory demands.

Performance was affected due to the continued shortage of experienced qualified staff, and a greater concentration of trainees. Resources concentrated on the statutory requirement to publish the draft 2026 Revaluation Roll on 30 November 2025 and shortly thereafter to finalise the 2026 Revaluation Roll for publication on 1 April 2026. In addition, the valuation team were navigating their way through the statutory disposal of all 2023 Revaluation proposals to conclusion by the deadline date of 30 September 2025.

With regards to electoral registration, within the period 2025/2026, the principal activities centred on maintaining the completeness and accuracy of the registers. The canvass was concluded successfully, and the registers were published on 1 December 2025. The Review of Scottish Boundaries was also approved and reflected in the electoral registers published on 1 December 2025, effective for the Scottish Parliament election on 7 May 2026.

During 2025/2026 the Electoral Registration Officer supported the delivery of a Scottish Parliamentary by-election held for the Hamilton, Larkhall and Stonehouse constituency on 5 June 2025.

During the year, there was one complaint received. The complaint was not upheld and was dealt with within the timescales required by the Complaints Handling Procedures.

More information on the Board's performance during 2025/2026 can be found on the Board's website at www.lanarkshire-vjb.gov.uk

Financial Performance

Revenue

The Comprehensive Income and Expenditure Statement on page 22 summarises the total costs of providing services and the income available to fund those services. The Board set a net operating expenditure budget for 2025/2026 of £4.082 million to be funded by contributions from the two constituent local authorities. The budget was based on experience of expenditure and income levels during previous years and included a planned contribution from the Board's reserves of £1.000 million. This budget included funding received from the Scottish Government for the implementation of the Barclay Review. Additional funding received during the year revised the budget to £4.122 million.

In comparison to the 2025/2026 budget, the Board returned a deficit of income over expenditure of £0.656 million which, compared with the budgeted deficit of £1.000 million, meant there was £0.344 million of an improvement in the Board's position. This deficit excludes the accounting adjustments relating to pensions and short-term accumulating absences. In the main, the improved financial position reflected reductions in spend due to turnover of staff and ongoing recruitment difficulties in the sector.

The Table below compares the revised budget of the Board at the 31 March 2026. The difference between the net expenditure figure below and that reported in the Comprehensive Income and Expenditure Statement is due to the accounting adjustments, which are analysed in Note 5 Expenditure and Funding Analysis on page 31. Financing Charges in the table below includes Financing and Investment Income and Expenditure as detailed in the Net Expenditure Chargeable to General Fund column of Note 5 on page 31.

Lanarkshire Valuation Joint Board Revenue Budget 2025/2026

	Budget	Actual	Variance
	£000	£000	£000
Employee Costs	3,045	2,763	282
Property Costs	208	208	0
Supplies and Services	159	154	5
Transport and Plant	5	10	(5)
Administration Costs	678	745	(67)
Payments to Other Bodies	31	34	(3)
Financing Charges	14	51	(37)
Total Expenditure	4,140	3,965	175
Income	(18)	(186)	168
Net Expenditure	4,122	3,779	343
Funded by:			
Contributions from Councils	(3,082)	(3,082)	0
Funding from Other Bodies	(40)	(41)	1
Total	(3,122)	(3,123)	1
Surplus / (Deficit) for the Financial Year	(1,000)	(656)	344

As noted in the table, the main underspend was in respect of employee costs, reflecting a combination of the turnover of staff and difficulties in the recruitment of staff. In addition, there is an over recovery in income from the interest received on the Board's revenue balances of the Board. These were partially offset by overspends in Administration Costs for postage costs of writing out to absent voters, and an overspend on Information Technology leasing costs.

Balance Sheet

The Board's Balance Sheet as at 31 March 2026 reported net assets of £1.359 million compared with net assets of £2.047 million as at 31 March 2025, a movement of £0.688 million during the year. This is due to an increase in cash and cash equivalents reflecting the timing of spend across financial year end (£0.661 million).

Adding the deficit on the Balance Sheet as at 31 March 2026 (£0.656 million) to the Board's General Reserve carried forward from 2024/2025 (£2.475 million), gives the Board a closing General Reserve position of £1.891 million at the end of 2025/2026. This is shown in Note 5 Expenditure and Funding Analysis on page 31 and the Movement in Reserves Statement on page 24.

Pension Fund

The disclosure requirements for pension benefits under International Accounting Standard 19 are detailed at Note 16. The appointed actuary assessed the Board's share of Strathclyde Pension Fund as a net asset of £nil as at 31 March 2026. This reflects the assumptions used by the actuary, including financial and demographic assumptions, resulting in an increase to the Pension Asset since the previous year.

The 2025/2026 pension reports provided by the actuary indicate an increased Asset (a surplus) for this year (compared to 2024/2025), and in line with IFRIC14, an asset ceiling has been applied. This reduced the Net Pension Asset from £17.531 million to £0 and reflects the present value of employer future service costs less the present value of future employer contributions, over the future working lifetime of the active scheme.

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

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

The Board's actuary has confirmed that the IAS19 Balance Sheet is based on financial market values and future market expectation indicators as at 31 March 2026 to comply with the standard.

Provisions, Contingencies and Write-offs

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

Service Changes and Future Developments

Future development is driven by legislative changes, new case law and as a result of formal reviews undertaken. Reform of council tax, implementation of the Barclay Review in relation to non-domestic rates and changes to the electoral registration process are examples of changes to service delivery.

A review of service delivery continues. Throughout the past year a review of our valuation service has been undertaken, systematically evaluating tasks to determine the best use of available resources, this includes a programme of IT improvements to ensure more efficient processes and procedures.

The Board noted the annual update of Lanarkshire Valuation Joint Board's Service Plan at its meeting of 2 March 2026. Such updates on the Service Plan are provided annually to the Board. Future developments being anticipated in the following service areas:

Electoral Registration

With the introduction of the Elections Act 2022, further new measures were introduced by the UK Government, which only apply to UK Parliamentary elections, by-elections and recall petitions. The Act introduced the requirement for all postal voters in UK Parliamentary elections to renew their application every 3 years. Work began late March 2025 to identify electors affected by the renewal obligations: 80,000 such electors were identified and contacted between March and June 2025. As a result, 43,467 electors received cancellation letters in February 2026, confirming that they have lost their postal vote for UK elections.

The Scottish Parliament (Elections etc.) (Miscellaneous Amendments) Order 2025 introduced new emergency proxy arrangements for medical companions and to change an existing proxy. The order also amended the age for looked after children from 16 to 21.

Work was undertaken to ensure our electoral registration team were able to advise electors in relation to new legislative arrangements.

The annual canvass of electors 2025 ran between July and November 2025. It was run under canvass reform. Data matching was used at the outset of the canvass to help identify those properties where the residents are more likely to have changed. All Electoral Registration Officers in Great Britain were required to match specified data they hold with regard to registered electors against the Department for Work and Pensions' Customer Information System (DWP CIS) dataset. This dataset is already used in the electoral registration process to verify an applicant's identity.

During the 2025 canvass, almost 263,800 households matched with the DWP dataset, thereafter those matched households were issued with an email and/or letter (canvass communication A - CCA). The CCA advised who was on the register at that address, whilst detailing no return was required, unless there was a change in the household.

Where the data held did not match with the DWP, initially a canvass form is issued, circa 59,000 canvass forms were issued, a response being required. Where a response is not received, a further communication is then issued in the form of a letter (canvass communication B - CCB) circa. 39,000 households failed to respond and received CCBs.

The household visit element, the final stage, of the 2025 canvass proceeded in August 2025, with circa 38,700 properties being personally canvassed.

The canvass reforms have also allowed for the use of e-communications that include telephone and email contact. 9,215 emails were issued and 4,600 phone calls were made to reduce the number of door knocks required.

Rolling Registration activity, introduced in 2000 to assist in maintaining the Electoral Register, continued throughout 2025/2026 with the bulk of the registration applications being received via the central government online registration system (www.gov.uk/register-to-vote).

Valuation: Non-domestic

Work over the period 2025/2026 continued maintaining the Valuation Roll. The disposal of the 2023 revaluation proposals of which circa.1,400 were received, continued through a programme of disposal throughout the year to ensure compliance with the statutory disposal deadline of 30 September 2025.

Alongside 2023 revaluation proposals, the team disposed of 218 running roll proposals during the year and 31 appeals from both 2017 and 2023 revaluation periods.

New processes arising from the Non-Domestic Rates (Scotland) Act 2020 continued to impact on the administration of the valuation for non-domestic rates. Changes to the appeal system, which now comes under the scope of the Scottish Courts and Tribunals Service, are now embedded and a continuous flow of work arises from these altered workflows. Work continues in relation to the issue of Assessors' Information Notices and those resulting civil penalties issue as a consequence of non-return.

The valuation team revalued 24,190 non-domestic subjects, publishing the draft 2026 Revaluation Roll on 30 November 2025, at the same time draft valuation notices were issued to every proprietor, tenant and occupier listed in the Roll.

Valuation: Domestic

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

Regarding proposals, although we continue to receive large numbers to deal with, the number of proposals being converted to appeals is comparatively low.

The First-tier Tribunal, Local Taxation Chamber, cited a number of valid and invalid council tax appeals throughout the year, which our valuation team oversaw and managed to conclusion.

The annual audit requirement of self-catering properties continue to affect performance. This is a legislative requirement which is both challenging and resource intensive. Following audit those properties which no longer meet the criteria to be treated as self-catering accommodation require to be entered into the Council Tax Valuation List effective from 1 April in that financial year.

Financial Outlook

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

The Budget for 2026/2027 included assumptions in relation to pay award and use of reserves. The revised expenditure budget totals £4.600 million and is funded by contributions from councils (including the Barclay allocations) and the use of Reserves (£1.026 million).

Early indications are that due to employee turnover, the forecast use of Reserves for the year is £0.626 million, rather than the budgeted £1.026 million. Taking this into account will leave £1.193 million in Reserves for future years. This equates to 26% of the Board's annual budget for 2026/2027.

The Table below summarises the impact on Reserves across 2026/2027 and the remaining 2 years of the 2026/2027 to 2028/2029 Strategy. It shows that in the final year of the Strategy (2028/2029), the Board will have utilised all of the Reserves balance available.

Reserves Forecast and Strategy – June 2026

	2026/2027 (year 1) £m	2027/2028 (year 2) £m	2028/2029 (year 3) £m
Opening Balance	1.819	1.193	0.595
Transfer to Reserves / (Utilisation of Reserves)	(0.626)	(0.598)	(0.595)
Closing Balance	1.193	0.595	0.000

In order to reduce this reliance on reserves, and manage the shortfall anticipated in the years beyond the current Strategy, the Board need to reduce costs in the years up to 2028/2029. This cost reduction will need to be considered alongside workload and staffing requirements. There is also the potential that further funding may become available for Council Tax reform and Barclay funding in future years, however there is no estimate of any value beyond 2026/2027 at this time or what additional workload and staffing requirements will be required for this valuation work.

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

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

Risks and Uncertainties

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

In respect of the first highlighted risk, South Lanarkshire Council's Personnel Services continue to proactively work with the Board in relation to a programme of recruitment, whilst undertaking a review of tasks and gradings within the Board. A programme of in-house training has meant that our five graduate trainee valuers are working towards submitting their final paperwork to the Royal Institution of Chartered Surveyors to gain membership, within the coming year. To date the Board are supporting 16 members of staff who are undertaking various courses in education, to ensure they gain the relevant knowledge and understanding to equip them to carry out their roles. Whilst staffing levels are improving within the valuation team, there remains a number of vacancies within the management team. Currently tasks are being redistributed amongst the remaining members of the management team where possible.

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

Working Practices

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

Conclusion

The Board has faced a year of significant challenge, in the form of legislative changes followed by new adaptive workflows whilst navigating a new personnel structure. Performance overall was positive across all 3 main business areas, albeit the non-domestic performance targets were not met.

Sound financial management and medium-term planning have enabled the Board to successfully manage the financial challenges faced during the financial year 2025/2026.

We wish to acknowledge the significant efforts of all staff contributing to the Board's operational performance, of budget managers and support staff whose financial stewardship have contributed to the Board's financial position as at 31 March 2026, and to everyone involved in the preparation of the Annual Accounts.

Jackie Taylor
Treasurer

Jacqueline Dell
Assessor and ERO

Cllr Walter Brogan
Convener

Statement of Responsibilities

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

The Board's Responsibilities

The Board is required to:

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

Councillor Walter Brogan
Convener of Lanarkshire Valuation Joint Board

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the annual accounts give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2026.

Jackie Taylor
Treasurer of Lanarkshire Valuation Joint Board

Annual Governance Statement

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

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

Scope of Responsibility

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

Governance Framework

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

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

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

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

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

- Financial management supported by Financial Regulations;
- Detailed budgeting systems;

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

On 1 June 2026, the Board considered the adequacy and effectiveness of the Board's governance arrangements and internal control environment and approved the Annual Governance Statement and Accounts.

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

Financial Sustainability and Reserves

A Medium-Term Financial Strategy was presented to the Board on 2 June 2025, which noted the level and adequacy of reserves, and detailed a plan to utilise those to sustain the Board's budget over the 3 year period to 2028/2029. Revised positions are reported to the Board on an annual basis.

Review of Effectiveness

The Board purchases its internal audit service from South Lanarkshire Council, through a Service Level Agreement. The role of Internal Audit is to evaluate and improve the effectiveness of governance, risk management and control processes.

The internal audit service provided to the Board operates in accordance with the Global Internal Audit Standards. Risks and audit ideas are assessed and then prioritised to ensure audit focus is directed towards areas where an independent review would add greatest value to Lanarkshire Valuation Joint Board.

The Internal Audit Manager presents an annual report to the Board that provides a conclusion as to the effectiveness of the organisation's framework of governance, risk management and control arrangements in the audit year. The annual report for 2025/2026 was presented to the Board on 1 June 2026. In 2025/2026, the Internal Audit conclusion is that, based on the work undertaken during the year, the Chief Internal Auditor, is satisfied that Lanarkshire Valuation Joint Board has established adequate and effective arrangements for governance, risk management and internal control.

Statement on the Role of the Chief Financial Officer

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

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

Continuous Improvement

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

[Report to the Board 2024/25](#) did not identify any Governance actions for implementation during 2025/2026.

Working Practices

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

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

Assurance

In conclusion, there were no significant weaknesses identified in the Annual Audit Report relating to improvements requiring action in 2025/2026. Systems are in place to continually review and improve the control environment and governance arrangements operated by the Board.

The effectiveness of governance is dependent on the actions of officers of the Board and by the work of Internal and External Audit. It is the Board's view that the governance arrangements were effective during financial year 2025/2026.

Significant Governance Areas

The Board's management team identifies risks to which the Lanarkshire Valuation Joint Board is exposed, and documents the controls in place to help mitigate each risk. At the latest review in March 2026, 6 risks were deemed high but are mitigated by these controls, and are summarised in the table below.

Risk	Classification	Key Risk	Description of Risk	Controls in Place
1	Operational, Continuity and Performance	Lack of central IT support.	Lack of central IT support for the Board provided by constituent authorities.	<ol style="list-style-type: none"> 1) Service Level Agreement (SLA) with constituent authority in place. 2) IT Business Systems Manager and an IT Team Leader attend relevant part of the Board's monthly Management Team meetings.
2	Financial	Insufficient budget from SLC/NLC.	Insufficient budget from SLC/NLC could lead to statutory duties not being undertaken.	<ol style="list-style-type: none"> 1) Realignment of budgets. 2) Quarterly meeting with Treasurer to the Board to discuss budgetary matters. 3) Notification to Clerk as part of budget planning. 4) Notification to the board as part of budget planning. 5) Monitor revenue budget at monthly management meetings. 6) Three-year budgetary planning.
3	People	Failure to recruit and or retain valuation staff.	Failure to retain or recruit staff, including those	<ol style="list-style-type: none"> 1) Work life balance, conditions of service, personnel policies and job families regularly reviewed.

Risk	Classification	Key Risk	Description of Risk	Controls in Place
			<p>with appropriate qualifications.</p> <p>Inability to match work life balance, conditions of service, personnel policies, salaries of other valuation joint boards, local authorities, constituent authorities or private sector.</p>	<ol style="list-style-type: none"> 2) PDR process in place. 3) Recruitment of trainee valuers employed when appropriate, with structured training plan in place. 4) Existing staff offered appropriate training, including training towards professional qualifications where deemed appropriate. 5) Ongoing monitoring of grading matrix alongside key duties to ensure fair and equal pay with lead authority to retain staff. 6) Review of structure, to deploy employees effectively to ensure statutory duties are met. 7) Ongoing discussions with Personnel in relation to recruitment issues.
4	Financial	Lack of funding for new duties associated with the Barclay review into non-domestic rates	<p>Insufficient funding for new duties could lead to difficulties in delivery of statutory undertakings. There is no detail on future years' funding from the Scottish Government for such duties.</p>	<ol style="list-style-type: none"> 1) Risk to the new statutory duties has previously been raised and continues to be discussed with Scottish Government officials, and directly with the Minister for Public Finance. 2) Three yearly budget planning assists with the identification of when funding levels become critical to service delivery.
5	People	Injury, death, physical or verbal assault of staff or service users.	Injury, death, assault of staff whilst undertaking duties, or of service users.	<ol style="list-style-type: none"> 1) Risk assessments carried out. 2) Personal Safety Policy in place. 3) Occupational Health and Safety Management System in operation. 4) Training and instructions provided for staff. 5) Communication with SLC in relation to common areas. 6) Implementation of Traffic Management Plan. 7) Surveying Safely Guidance Note has been reviewed and issued to staff.
6	People	Changes to conditions of service.	Changes to conditions of service, pensions, holidays, etc.	<ol style="list-style-type: none"> 1) Regular contact with SLC Personnel in relation to any changes.

Risk	Classification	Key Risk	Description of Risk	Controls in Place
			could cause general staffing issues.	<ul style="list-style-type: none"> 2) Maintain awareness of such issues across industry in general. 3) Maintain effective communication with staff and staff representatives (industrial relations). 4) Allow staff time to attend briefings on legislative changes likely to impact conditions of service (e.g. pension changes). 5) Personnel Bulletins and team briefing notes provided to all employees.

Jacqueline Dell
Assessor and ERO

Councillor Walter Brogan
Convener

Remuneration Report

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

Introduction

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

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

Senior Employees

The remuneration of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Officers of Scottish local authorities. COSLA Industrial Relations Circular 11-23b sets the amount of salary for Chief Officers for 2025/2026.

Senior Councillors

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

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended most recently by the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 (SSI 2025/8). The Regulations provide for the grading of Councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Provost, Senior Councillors or Councillors. These regulations also set out the amounts a councillor may be paid for being a Convener or Depute Convener of a Joint Board. This is inclusive of any amount payable to them as either a Councillor or Senior Councillor.

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

Trade Unions (Facility Time Publication Requirements) Regulations 2017

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

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

General Pay Bands for Senior Employees

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

Table 1 - General Pay Band Disclosure for Senior Employees

Annual Remuneration £	Number of Employees	Number of Employees
	2025/2026	2024/2025
50,000 – 54,999	0	1
55,000 – 59,999	2	2
60,000 – 64,999	2	3
65,000 – 69,999	0	0
70,000 – 74,999	1	0
75,000 – 79,999	1	1
80,000 – 84,999	1	1
85,000 – 99,999 (Note 1)	0	0
100,000 – 104,999	1	0
105,000 – 109,999	1	0
110,000 – 129,999 (Note 1)	0	0
130,000 – 134,999	0	1

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

Disclosure of Remuneration

Tables 2 and 3 provide details of the remuneration paid to the Board's senior employees, Convener and Depute Convener. Comparative figures for 2024/2025 have been shown.

Table 2 – Senior Employees

Name / Post	Salary / Fees	Taxable Expenses	Compensation for Loss of Office	Any other Remuneration	2025/2026 Total	2024/2025 Total
C Maxwell Assistant Assessor and Electoral Registration Officer (To 15 April 2024)	-	-	-	-	-	£3,563 (Full Time Equivalent £84,438)
Assessor and Electoral Registration Officer (From 16 April 2024 to 31 December 2025)	£106,845 (Full Time Equivalent £141,556)				£106,845 (Full Time Equivalent £141,556)	£128,240 (Full Time Equivalent £133,729)
J Dell Assistant Assessor and Electoral Registration Officer (To 31 December 2025)	£70,118 (Full Time Equivalent £87,915)	-	-	-	£70,118	£81,938
Assessor and Electoral Registration Officer (From 1 January 2026)	£34,142 (Full Time Equivalent £139,236)				£34,142 (Full Time Equivalent £139,236)	-
Total	£211,105	-	-	-	£211,105	£224,724

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

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

Table 3 – Conveners and Depute-Conveners

Name / Post	Salary / Fees	Taxable Expenses	Compensation for Loss of Office	Any other Remuneration	2025/26 Total	2024/25 Total
W Brogan Convener	£2,703	-	-	-	£2,703	£5,575
J Reddin Depute Convener	£990	-	-	-	£990	£4,007
Total	£3,693	-	-	-	£3,693	£9,582

Pension Rights

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

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

From 1 April 2009, a five-tier contribution system was introduced with contributions from scheme members based on how much pay falls into each tier. This is designed to give more equality between the costs and benefits of scheme membership. Under The Local Government Pension Scheme (Scotland) Regulations 2014, the earnings ranges used to determine annual contribution rates are to be increased each year by any increase applied to pensions under the Pensions (Increase) Act 1971. In accordance with this the salary bands for 2024/2025 were uprated by the Consumer Price Index (CPI) increase for 2025/2026.

The member contribution rates and tiers for 2025/2026 are shown in Table 4 along with those that applied in 2024/2025.

Table 4 – Pension Contribution Rates

Pensionable Pay	Contribution rate 2025/2026	Pensionable Pay	Contribution Rate 2024/2025
On earnings up to and including £27,500	5.50%	On earnings up to an including £27,000	5.50%
On earnings above £27,500 and up to £33,600	7.25%	On earnings above £27,000 and up to £33,000	7.25%
On earnings above £33,600 and up to £46,100	8.50%	On earnings above £33,000 and up to £45,300	8.50%
On earnings above £46,100 and up to £61,400	9.50%	On earnings above £45,300 and up to £60,400	9.50%
On earnings above £61,400	12.0%	On earnings above £60,400	12.0%

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

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

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

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

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

The Pension entitlement of Senior Employees for the year to 31 March 2026 are shown in the Table 5, together with the contribution made by the Board to each senior employees' pension during the year. The accrued pension benefit reflects both the employer and employee contributions.

Table 5 – Pension Benefits: Senior Employees

Name / Post		Accrued Pension Benefits March 2026	Movement in accrued pension benefits since 31 March 2025	Pension Contribution made by Board 2025/2026	Pension Contribution made by Board 2024/2025
C Maxwell Assistant Assessor and Electoral Registration Officer <i>(To 15 April 2024)</i> Assessor and Electoral Registration Officer <i>(From 16 April 2024 to 31 December 2025)</i>	Pension Lump Sum	£60,698 £93,892	£3,496 £3,886	£6,945	£8,567
J Dell Assistant Assessor and Electoral Registration Officer <i>(To 31 December 2025)</i> Assessor and Electoral Registration Officer <i>(From 1 January 2026)</i>	Pension Lump Sum	£58,444 £84,343	£21,103 £36,333	£6,532	£5,326
Total				£13,477	£14,607

Table 6 – Pension Benefits: Conveners and Depute Conveners

Name / Post	Pension Contribution made by Board 2025/2026	Pension Contribution made by Board 2024/2025
W Brogan, Convener	£145	£362
J Reddin, Depute Convener	£53	£260

Exit Packages

There were no exit packages agreed or paid for in 2025/2026 or 2024/2025.

Jacqueline Dell
Assessor and ERO

Councillor Walter Brogan
Convener

Comprehensive Income and Expenditure Statement for the year ended 31 March 2026

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

2024/2025		2025/2026	Note
Actual Restated		Actual	
£000		£000	
2,748	Employee Costs	3,305	
108	Property Costs	108	
182	Supplies and Services	154	
11	Transport and Plant	11	
623	Administration Costs	758	
30	Payments to Other Bodies	34	
145	Financing Charges (Note a)	158	
3,847	Total Expenditure	4,528	
(4,018)	Income	(3,161)	
(171)	Net Cost of Services	1,367	
(69)	Financing and Investment Income and Expenditure (Note a)	(88)	21
(240)	(Surplus)/Deficit on the Provision of Services	1,279	
(282)	Re-measurement of the Net Defined Benefit (Asset)/Liability	(591)	16
(282)	Other Comprehensive Income and Expenditure	(591)	
(522)	Total Comprehensive Income and Expenditure	688	

Balance Sheet as at 31 March 2026

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

31 March 2025		31 March 2026	Note
£000		£000	
	Non-Current Assets:		
557	Property, Plant and Equipment	449	11,12
0	Pension Asset	0	16
557	Total Non-Current Assets	449	
	Current Assets:		
66	Short Term Debtors	49	13
2,587	Cash and Cash Equivalents	1,925	
2,653	Total Current Assets	1,974	
	Current Liabilities:		
(246)	Short Term Creditors	(226)	14
(78)	Short Term Lease Liability	(86)	11
(324)	Total Current Liabilities	(312)	
2,886	Total Assets less Current Liabilities	2,111	
	Long Term Liabilities		
(435)	Pension Liability	(434)	16
(404)	Long Term Lease Liability	(318)	11
(839)	Total Long Term Liabilities	(752)	
2,047	Total Assets less Liabilities	1,359	
	Financed By:		
	Unusable Reserves		
(435)	Pension Reserve	(434)	19
(68)	Accumulating Compensated Absences Reserve	(71)	19
75	Capital Adjustment Account	45	19
	Usable Reserves		
2,475	General Fund Reserve	1,819	19
2,047		1,359	

The notes on pages 28 to 43 form part of the financial statements.

The unaudited accounts were approved for issue by the Board on 1 June 2026. The unaudited accounts are signed on behalf of the Board by:

Jackie Taylor
Treasurer of Lanarkshire Valuation Joint Board

Movement in Reserves Statement for the year ended 31 March 2026

This statement shows the movement in the year on the different reserves held by the Board, analysed into usable reserves and unusable reserves. The surplus on the provision of services shows the true economic cost of providing the Board's services, which is fully analysed in the Comprehensive Income and Expenditure Statement on page 22. This cost excludes other statutory charges to the General Fund balance. The net increase / (decrease) before transfers to / from other statutory reserves shows the statutory General Fund balance before any discretionary transfers to or from the other statutory reserves of the Board.

	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance as at 31 March 2025	2,475	2,475	(428)	2,047
Movement in Reserves during 2025/2026				
Surplus on the provision of services	(1,279)	(1,279)		(1,279)
Other comprehensive income and expenditure	0	0	591	591
Total comprehensive income and expenditure	(1,279)	(1,279)	591	(688)
Adjustments between accounting basis and funding basis (note 5)	623	623	(623)	0
Net increase before transfers to / from other statutory reserves	(656)	(656)	(32)	(688)
Transfers to / from other statutory reserves	0	0	0	0
Increase / (Decrease) in 2024/2025	(656)	(656)	(32)	(688)
Balance as at 31 March 2026	1,819	1,819	(460)	1,359

Movement in Reserves Statement for the year ended 31 March 2025

	General Fund Balance	Total Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance as at 31 March 2024	1,975	1,975	(450)	1,525
Movement in Reserves during 2024/2025				
Surplus on the provision of services	240	240	-	240
Other comprehensive income and expenditure	-	-	282	282
Total comprehensive income and expenditure	240	240	282	522
Adjustments between accounting basis and funding basis (note 5)	260	260	(260)	0
Net increase before transfers to / from other statutory reserves	500	500	22	522
Transfers to / from other statutory reserves	-	-	-	-
Increase / (Decrease) in 2023/2024	500	500	22	522
Balance as at 31 March 2025	2,475	2,475	(428)	2,047

Cash Flow Statement

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

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

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

2024/2025		2025/2026
£000		£000
240	Surplus/(Deficit) on the Provision of Services	(1,279)
424	Adjust Surplus/(Deficit) on the Provision of Services for non-cash movements	696
0	Adjust for items included in the Surplus/(Deficit) on the Provision of Services that are investing and financing activities	0
664	Net cash flows from operating activities	(583)
0	Investing Activities	0
(69)	Financing Activities	(79)
595	Net increase or decrease in cash and cash equivalents	(662)
1,992	Cash and cash equivalents at 1 April	2,587
2,587	Cash and cash equivalents at 31 March	1,925

Cash Flow Statement Note – Non Cash Movements

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

2024/2025		2025/2026
£000		£000
107	Depreciation, impairment and amortisation of assets	108
40	Movement in Debtors	(22)
55	Movement in Creditors	17
224	Movement in Pension Liability	590
(2)	Movement in the Employee Statutory Adjustment Account	3
-	Interest received	0
424	Net Cash flows from the provision of services for non-cash movements	696

Cash Flow Statement Note – Financing Activities

The cash flows for financing activities include the following item:

2024/2025		2025/2026
£000		£000
(69)	Cash payments for the reduction of the outstanding liabilities relating to leases	(79)
(69)	Net cash flows from financing activities	(79)

Cash Flow Statement Note – Cash and Cash Equivalents

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

2024/2025		2025/2026
£000		£000
2,587	Short term deposits	1,925
2,587	Total Cash and Cash Equivalents	1,925

Note 1: Accounting Policies

General Principles

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

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

Debtors and Creditors

Accruals basis

The Comprehensive Income and Expenditure Statement is compiled on an accruals basis. Income and expenditure activities are accounted for in the year in which they take place, not simply when payments are made or received. Where goods and services have been sold but the income not received by 31 March 2026 or goods have been received but not paid for by 31 March 2026 then the Comprehensive Income and Expenditure Statement has been amended to reflect the outstanding amounts and a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

(i) Debtors

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

(ii) Creditors

Sundry Creditors are accrued on the basis of payments made during the first three weeks following 31 March 2026; together with specific accruals in respect of further material items.

(iii) Accumulating Compensated Absences

International Accounting Standard 19 (IAS19) states that 'an organisation should account for employment benefits when employees earn them and the authority is committed to providing them, even if the actual provision might be in future years.' All salaries and wages earned up to 31 March 2026 are included irrespective of when actual payments were made. The requirements of IAS 19 have been fully applied in the current year, in respect of annual leave provision, including recognition of the net liability and an accumulating compensated absences reserve in the Balance Sheet and entries in the Comprehensive Income and Expenditure Statement for movements in the liability relating to the scheme.

(iv) Pension Costs

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

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

While the requirements of IAS19 have been fully applied in the current year, the Pension report provide by the actuary has indicated a significant net Asset (a surplus). The significant nature of the Asset has been reviewed, and in line with IFRIC14, the asset has been de-recognised to equate to the level of the asset ceiling, provided by the Fund's actuary. This reflects the net present value of future service costs less the net present value of future obligations over the future working lifetime as at 31 March 2026. This derecognition has been applied through the Comprehensive Income and Expenditure Statement. Previous year budget and expenditure information has been provided to allow comparability.

In assessing liabilities for retirement benefits for the 2025/2026 Annual Accounts (included in the net asset), a discount rate based on the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme was used. The Actuary has advised that a rate of 6.3% per annum is appropriate (2024/2025 – 5.8%).

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

(v) Allocation of Central Support Expenses

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

(vi) Borrowing Facilities

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

(vii) Financial Instruments

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

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

(viii) Agency Relationship

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

Intangible Assets

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

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

Leases

The Board adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (where any leased equipment and property were not recognised as an asset, and future rents were not recognised as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. The Board has elected to apply recognition exemptions to low value assets (below £0.010 million when new) and to short-term leases (existing leases that expire on or before 31 March 2026), and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Property, Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

Depreciation

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

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

Note 2: Prior Period Adjustments

There are no prior period adjustments included within the 2025/2026 Annual Accounts.

Note 3: Accounting Standards Issued but Not Adopted

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

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

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK (Amendments to Heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The above are not expected to have a material impact on the financial statements.

Note 4: Critical Judgements in Applying Accounting Policies

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

- In assessing the potential for significant costs arising from Valuation Appeal Panels, the Board has considered its level of exposure as low and therefore no provision for an outflow of money has been made.

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

Note 5: Expenditure and Funding Analysis

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

2024/2025			2025/2026			
Net Exp. Chargeable to GF	Adjustment between Funding and Accounting Basis (Note 6)	Net Exp. in CIES		Net Exp. Chargeable to GF	Adjustment between Funding and Accounting Basis (Note 6)	Net Exp. in CIES
Restated		Restated				
£000	£000	£000		£000	£000	£000
2,534	214	2,748	Employee Costs	2,763	542	3,305
108		108	Property Costs	108		108
182		182	Supplies and Services	154		154
11		11	Transport and Plant	11		11
645	(22)	623	Administration Costs	746	12	758
30		30	Payments to Other Bodies	34		34
106	39	145	Financing Charges (Note a)	129	29	158
3,616	231	3,847	Total Expenditure	3,945	583	4,528
(4,018)		(4,018)	Income	(3,161)	0	(3,161)
(402)	231	(171)	Net Cost of Services	783	583	1,367
(98)	29	(69)	Financing and Investment Income and Expenditure (Note a)	(128)	40	(88)
(500)	260	(240)	(Surplus) or Deficit	656	623	1,279

2024/2025		2025/2026
General Fund		General Fund
£000		£000
(1,975)	Opening General Fund Balance	(2,475)
(500)	(Surplus) or Deficit	656
-	Transfers To/From Reserves	-
(2,475)	Closing General Fund Balance	(1,819)

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

	2025/2026	2025/2026	2025/2026	2025/2026
	Adjustments for Capital Purposes (note a) £000	Net Change for the Pensions Adjustments (note b) £000	Other Differences (note c) £000	Total Adjustments between Funding and Accounting Basis £000
Employee Costs	-	539	3	542
Property Costs	-	-	-	-
Supplies and Services	-	-	-	-
Transport and Plant	-	-	-	-
Administration Costs	-	12	-	12
Payments to Other Bodies	-	-	-	-
Financing Charges	29	-	-	29
Total Expenditure	29	551	3	583
Income				
Net Cost of Services	29	551	3	583
Financing and Investment Income and Expenditure		40		40
(Surplus) or Deficit	29	591	3	623

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

Note a – Adjustment for Capital Purposes

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

Note b – Net Change for the Pensions Adjustment

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

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

Note c – Other Differences

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

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

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

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

Useable Reserves		
	2025/2026	2024/2025
	£000	£000
Adjustments to Revenue Resources		
Pension Costs (transferred to (or from) the Pensions Reserve	(1)	(58)
Holiday Pay (transferred to the Employee Statutory Adjustment Account)	3	(2)
Statutory provision for the Repayment of Debt – Leases	(78)	(69)
Reversal of entries in the surplus or deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	108	107
Total Adjustments to Revenue Resources	32	(22)
Adjustments between Revenue and Capital Resources		
Capital expenditure finance from revenue balances (transfer to Capital Adjustment Account)	0	0
Total Adjustments between Revenue and Capital Resources	0	0
Total Adjustments	32	(22)
Total Comprehensive Income and Expenditure	(688)	522
Net Increase / (Decrease) before transfers to / from Reserves	(656)	500
Increase / (Decrease) in year	(656)	500

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

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

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

Items	Uncertainties	Effect if Actual Results Differ from Assumptions
Pension Asset / (Liability)	Estimation of the net asset depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries, commissioned by Strathclyde Pension Fund, is engaged to provide the Board with expert advice about the assumptions to be applied.	<p>The effect on the net pension asset of changes in individual assumptions can be measured. E.g. a 0.1% decrease in the discount rate assumption would result in a decrease in the pension asset of £0.338 million. The assumptions interact in complex ways. During 2025/2026, the actuaries advised that the net pension asset had increased by: £0.806 million attributed to the updating of financial assumptions, decreased by £0.132 million attributable to changes in demographic assumptions, and decreased by £0.169 million due to other experience. The net asset had increased by £1.221 million due to the expected return on pension fund assets.</p> <p>In line with IFRIC14, while there is a net asset, an asset ceiling has been applied to the Balance Sheet to bring the asset to £nil..</p>

Note 9: Events after the Balance Sheet

The unaudited Annual Accounts were authorised for issue by the Treasurer of Lanarkshire Valuation Joint Board on 1 June 2026. There were no events that occurred between 1 April 2026 and the date that the Annual Accounts were authorised for issue that would have an impact on the financial statements.

Note 10: Contingent Liabilities

Pensions

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

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

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

Valuation Appeals

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

Note 11: Leases

The Board adopted IFRS 16 from 1 April 2024, to recognise right of use assets. IFRS 16 means that leases where the Board acts as lessee are reflected on the balance sheet and lessor accounting is effectively unchanged.

The main impact of the requirement is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet since 1 April 2024. Leases for items of low value (below £0.010 million) and leases that expire on or before 31 March 2026 are exempt from the new arrangements.

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

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

The Board has decided to apply recognition exemptions to low value assets (below £0.010 million when new) and to short-term leases (existing leases that expire on or before 31 March 2026), and new leases with a duration of less than 12 months. The Board recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Board's lease contracts comprise leases of operational buildings and equipment. Most are individually immaterial however, material leases include the lease for the ground floor at David Dale House, Blantyre which commenced in April 2021 for a term of 9.3 years. Rentals were set at the start of the lease. The value of the asset as at 31 March 2026 was £0.378 million.

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

Right of Use Assets	2025/26	2024/25
	Buildings	Buildings
	£000	£000
Balance 1 April	464	551
Revaluations	-	-
Depreciation	87	87
Disposals	-	-
Balance 31 March	378	464

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

Transactions under Leases	2025/26	2024/25
	£000	£000
Comprehensive Income and Expenditure Statement		
Interest Expense on Lease Liabilities	20	24
Expense relating to exempt leases of low-value items	51	37
Cashflow Statement		
Interest paid	20	24
Minimum lease payments	79	69
Total Cashflow for Leases	99	93

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

Maturity Analysis of Lease Liabilities	2025/26	2024/25
	Lease Liability £000	Lease Liability £000
Not later than one year	86	78
Later than one year and not later than five years	318	368
Later than five years	0	36
Total Undiscounted Liabilities	404	482

Note 12: Property, Plant and Equipment

	2025/2026	2024/2025
	£000	£000
Cost or Valuation		
At 1 April	732	181
Recognise Right of Use Assets	0	551
Additions	0	0
At 31 March	732	732
Accumulated Depreciation		
At 1 April	176	68
Depreciation	108	107
At 31 March	283	175
Net Book Value at 31 March	449	557

Note 13: Short Term Debtors

The debtors figure comprises prepayments and is analysed as follows:

	2025/2026	2024/2025
	£000	£000
Information Technology Annual Support and Maintenance	47	47
Membership Fees / Annual Subscriptions	2	4
Credit Note Relating to 2023/2024 (charges received in error)	-	7
Insurance Services	-	8
Total	49	66

Note 14: Short Term Creditors

The creditors figure is analysed as follows:

	2025/2026	2024/2025
	£000	£000
Royal Mail – Postal Charges	17	3
North Lanarkshire Council – Depute Convenor Salary	1	5
Accumulated Compensated Absences – Annual Leave	71	68
Other – Employee Cost Accrual	127	118
Audit Scotland	1	1
Administration and Legal Costs	9	51
Total	226	246

Note 15: Related Party Transactions

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

	2025/2026	2025/2026	2024/2025	2024/2025
	Receipts	Payments	Receipts	Payments
	£000	£000	£000	£000
South Lanarkshire Council	(1,541)	409	1,814	410
North Lanarkshire Council	(1,541)	1	1,814	5
Fife Council	-	-	-	1
Total	(3,082)	410	3,628	416

The Board occupied the premises at David Dale House, 45 John Street, Blantyre, G72 0JG during 2025/2026, and are recharged for the cost of accommodation by South Lanarkshire Council. Included within payments to South Lanarkshire Council is a charge of £0.208 million for the lease and service charge of office accommodation at David Dale House (2024/2025: £0.201 million). Further details of the lease costs are shown in Note 11, Leases (page 35).

Note 16: Defined Benefit Pension Schemes

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

The 2025/2026 pension reports provided by the actuary indicate an increased Asset (a surplus) for this year (compared to 2024/2025), and in line with IFRIC14, an asset ceiling has been applied. This reduces the net Pension Asset from £17.531 million to £nil and reflects the present value of employer future service costs less the present value of future employer contributions, over the future working lifetime of your active scheme.

Transactions relating to Retirement Benefits

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

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

Comprehensive Income and Expenditure Statement	2025/2026	2024/2025
	£000	£000
Cost of Services:		
Service cost comprising:		
Current service cost	301	356
Past Service Cost (including curtailments)	420	0
Financing and Investment Income and Expenditure		
Net interest expense	40	29
Total post-employment benefit charged to the Deficit on the Provision of Services	761	385
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:		
Re-measurement of the net defined benefit liability/(asset) comprising:		
• return on pension fund assets	(1,221)	454
• actuarial (gains) or losses arising on changes in demographic assumptions	132	(39)
• actuarial (gains) or losses arising on changes in financial assumptions	(806)	(3,486)
• actuarial (gains) or losses arising on changes in other experience	169	(182)
• actuarial (gains) or losses arising on de-recognition of Pension Asset	1,136	3,029
• actuarial (gains) or losses arising on present value of Unfunded Liability	(1)	(58)
Total post-employment benefit charged to the Comprehensive Income and Expenditure Statement	(591)	(282)
Net Charge to the Surplus/Deficit on the Provision of Services brought forward	761	385
Movement In Reserves Statement		
• reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the Code	(590)	(224)
Actual amount charged against the General Fund balance for pensions in the year:		
• employers' contributions payable to the scheme	171	161

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Lanarkshire Valuation Joint Board's obligation in respect of its defined benefit plan is as per the Table overleaf. The net asset arising from the Board's involvement in the defined benefit scheme totals £17.531 million at 31 March 2026. However, this has been limited to £0 in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Board can recover the benefits through either refunds or reduced contributions. As the Board is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the pension asset to £nil. Separately the Board has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward.

	2025/2026	2024/2025
	£000	£000
Present value of the funded obligation	(20,795)	(19,957)
Fair value of pension fund assets	38,760	35,865
De-Recognition of Pension Assets (Surplus) to Asset Ceiling	(17,965)	(15,908)
Net asset / (liability) arising from funded obligations	0	0
Present Value of the Unfunded Liability Accounted for Separately	(434)	(435)
Net asset / (liability) arising from unfunded obligations	(434)	(435)

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

	2025/2026	2024/2025
	£000	£000
Opening Balance at 1 April	(20,392)	(23,193)
Current Service Cost	(301)	(356)
Past Service Cost	(420)	-
Interest Cost	(1,187)	(1,119)
Contributions by scheme participants	(140)	(124)
Re-measurement gains and losses		
actuarial gains and losses arising on changes in demographic assumptions	(132)	39
actuarial gains and losses arising from changes in financial assumptions	806	3,486
actuarial gains and losses arising from changes in other experience	(169)	182
Past service gains / losses	-	-
Settlements and curtailments	-	-
Estimated Unfunded benefits paid	31	30
Estimated Benefits paid	675	663
Closing Balance at 31 March	(21,229)	(20,392)

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

	2025/2026	2024/2025
	£000	£000
Opening Fair Value of Pension Fund Assets	35,865	35,039
Interest Income	2,069	1,688
Re-measurement gains and (losses)	-	-
expected return on pension fund assets	1,221	(454)
actuarial gains and losses	-	-
other experiences	-	-
The effect of changes in foreign exchange rates	-	-
Contributions by members	140	124
Contributions by the employer	140	131
Contributions in respect of Unfunded Benefits	31	30
Benefits Paid	(706)	(693)
Closing Fair Value of the Scheme Assets	38,760	35,865

Analysis of Pension Fund Assets

	31/03/26			31/03/25		
	Quoted prices in active markets	Quoted prices not in active markets	Total	Quoted prices in active markets	Quoted prices not in active markets	Total
	£000	£000	£000	£000	£000	£000
Cash and Cash Equivalents	0	1,250	1,250	0	873	873
Equity Instruments	8,151	28	8,179	7,430	23	7,453
Debt Instruments	0	0	0	0	0	0
Real Estate	0	2,687	2,687	0	2,706	2,706
Derivatives	0	0	0	0	0	0
Private Equity	0	9,295	9,295	0	8,290	8,290
Investment Funds	0	17,349	17,349	131	16,412	16,543
Asset Backed Securities	0	0	0	0	0	0
Structured Debt	0	0	0	0	0	0
Total	8,151	30,609	38,760	7,561	28,304	35,865

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, to provide an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme has been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates for the Strathclyde Pension Fund being based on the latest valuation of the scheme as at 31 March 2026.

The principal assumptions used by the actuary were:

	2025/2026	2024/2025
	Years	Years
Mortality Assumptions:		
Longevity at 65 for current pensioners		
Male	21.4	21.0
Female	23.3	23.2
Longevity at 65 for future pensioners		
Male	22.9	22.5
Female	24.5	24.4
Financial Assumptions:	%	%
Rate of inflation / pension increase rate	3.0	2.75
Rate of increase in salaries	3.7	3.45
Return on assets	9.2	3.5
Rate for discounting scheme liabilities	6.3	5.8
Take up option to convert annual pension into retirement lump sum Pre April 2009 / (Post April 2009)	75(75)	75(75)

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

	Approximate % increase in employer's liability	Approximate monetary amount £000
Change in assumption at 31 March 2026		
0.1% decrease in real discount rate	2%	338
1 year increase in member life expectancy	4%	849
0.1% increase in the salary increase rate	0%	33
0.1% increase in the pension increase rate	1%	304

Asset and Liability Matching Strategy

The Fund has an asset and liability matching (ALM) strategy that matches, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. The Fund has matched assets to the pension obligations by investing in long-term fixed interest securities and index linked gilt edged investments with maturities that match the benefits payments as they fall due. A large proportion of the assets relate to equities (72%) and bonds (18%). The scheme also invests in properties (7%) and cash (3%). The comparative year's figures for equities and bonds are 69% and 21% respectively. The ALM strategy is monitored annually or more frequently if necessary.

Impact on the Board's Cash Flow

The objectives of the fund are to keep employers' contributions at a constant a rate as possible. The Fund has an agreed strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating local authorities. Employers' contributions were set at 6.5% for 2025/2026 based on the last triennial valuation completed on 31 March 2023. Following completion of the triennial valuation as at 31 March 2023, employers' contribution rates have been set at 17.5% for the next year (2026/2027).

The total contributions expected to be made by the Board to the Fund for the year ending 31 March 2027 is approximately £0.374 million.

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

Note 17: External Audit Costs

The Board has incurred the following external audit costs:

	2025/2026 £000	2024/2025 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	10	10
Total	10	10

Note 18: Grant Income

The following Government Grants were received during the year:

	2025/2026 £000	2024/2025 £000
Scottish Government Grant – Barclay Funding	736	718
Department of Levelling Up, Housing and Communities New Burdens Funding	41	362
Total	777	1,080

Note 19: Balance Sheet – Reserves

Unusable Reserves				2025/2026				2024/2025
	Capital Adjustment Account	Pension Reserve	Employee Statutory Adj. Account	Total	Capital Adjustment Account	Pension Reserve	Employee Statutory Adj. Account	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Opening Balance 1 April	75	(435)	(68)	(428)	113	(493)	(70)	(450)
Movement in Pension Reserve		1		1	-	58	-	58
Movement in Annual Leave Accrual			(3)	(3)	-	-	2	2
Statutory repayment of debt	78			78	69	-	-	69
Charges for Depreciation of Non Current Assets	(108)			-108	(107)	-	-	(107)
Amortisation of Intangible Assets					-	-	-	-
Closing Balance as at 31 March	45	(434)	(71)	(460)	75	(435)	(68)	(428)

Usable Reserves	2025/2026		2024/2025	
	General Fund Reserve	Total	General Fund Reserve	Total
	£000	£000	£000	£000
Opening Balance 1 April	2,475	2,475	1,975	1,975
Increase / (Decrease) in Reserve	(656)	(656)	500	500
Closing Balance as at 31 March	1,819	1,819	2,475	2,475

Note 20: Financing and Management of Liquid Resources

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

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

	2025/2026	2024/2025
	£000	Restated £000
Pension Interest Cost and Expected Return on Pensions Assets	40	29
Interest Payable on Leases	20	24
Interest Received on Revenue Balances	(148)	(122)
Total	(88)	(69)

Note 22: Going Concern

As at 31 March 2026, the Balance Sheet of the Board shows a Net Asset position of £1.359 million.

There are statutory arrangements for funding the long-term deficit in respect of the net pension liability and the statutory accumulated absences, as detailed in the Movement in Reserves Statement on page 24, leaving a General Fund Reserve of £1.819 million to be carried forward for use in future years in line with the 2027/28 to 2028/29 Financial Strategy reported to the Board in June 2025, and subsequently updated in June 2026.

Note 23: Civil Penalties

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

As at 31 March 2026, the value of civil penalties issued and due to be collected by the Board totalled £1.294 million.

Audit Arrangements

Under arrangements approved by the Commission for Local Authority Accounts in Scotland (“The Accounts Commission”), the auditor with overall responsibility for the audit of the accounts of the Lanarkshire Valuation Joint Board for the year ended 31 March 2024 is:

Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN