

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 10 DECEMBER 2012
REPORT ON: ENGINEERING WORKS
REPORT BY: ENGINEER TO THE BOARD
REPORT NO: TRB 32-2012

1 PURPOSE OF REPORT

1.1 To advise the Joint Board on the current situation regarding Engineering works on the bridge.

2 RECOMMENDATIONS

2.1 It is recommended that the Joint Board note the position on current progress.

3 FINANCIAL IMPLICATIONS

3.1 There are no financial implications arising from this report.

4 SUSTAINABILITY POLICY IMPLICATIONS

4.1 There are no Sustainability Policy implications of relevance to this report.

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 There are no equal opportunities implications of relevance to this report.

6 IMPLICATIONS TO BRIDGE USERS

6.1 There are no major implications for bridge users arising from this report.

7 BACKGROUND

7.1 Pier Collision Protection Works

Reference is made to Article 1 of the Tay Road Bridge Joint Board meeting of 1 August 2011 where the Joint Board agreed the terms of the Contractor's Statement including the developed tender of £15,114,359.28 from VolkerStevin Ltd and noted an estimated overall expenditure requirement of £19.1 million for the pier collision protection works project.

As previously advised, the contract period is for 18 months from August 2011 to February 2013, however the contractor programmed the works to complete by December 2012.

VolkerStevin set up offices and a working compound in Dundee Port in early January 2012 where they carried out substantial reinforced concrete works in the yard to form the twelve large precast fendering units. The precasting works were completed in June 2012 and steel reinforcement cages were prefabricated in the yard for later transfer out to site to reinforce the precast concrete fendering units.

Piling works started on site on 5 April 2012 and were completed ahead of programmed time on 13 May 2012.

Scour protection works to the river bed around the piles started on 1 June 2012 and were completed by mid July 2012.

Specialist 'lift and shift' craneage and transportation operations for the movement of the precast concrete fendering units from the Port compound to the harbourside started in July 2012 and specialist floating plant and craneage for the installation of the precast concrete fendering units out on site was secured. These operations went very well and the works to install the units out on site were completed ahead of schedule on 27 July 2012 with a subsequent saving in costs.

The installation of steel reinforcement and concreting to tie together and strengthen the precast concrete fendering units followed and this work was completed as programmed by 15 November 2012. Approximately 7000 tonnes of concrete was placed over a 10 week period.

Works are now substantially complete with the bulk of the plant and equipment demobilised and the working compound decommissioned. The ancillary works of handrails, walkways, navigation lighting etc are currently being installed with a planned completion date of 7 December 2012. This is 2 weeks ahead of the originally planned completion date.

The following provides a summary of progress with the key elements of work to 30 November 2012:

Manufacture of precast concrete fendering units	- 100%
Piling	- 100%
Scour protection	- 100%
Installation of precast concrete fendering units	- 100%
Steel reinforcement to precast concrete fendering units	- 100%
Concrete infill to precast fendering units	- 100%
Ancillary works	- 66%

As previously advised, VolkerStevin signed up to a partnership with the Tay Road Bridge Joint Board, Dundee City Council, Fife Council, Angus Council and the Discover Opportunities Employability Partnership. This secures community benefit in the form of employment and training opportunities for local people.

VolkerStevin recruited 3 local office staff and 5 local labourers and registered 12 vacancies with Discover Opportunities. 5 vacancies were filled through Discover Opportunities

VolkerStevin recruited 4 local people to fill management/engineering roles for the project including a local civil engineering graduate who has since been taken on permanently. VolkerStevin are providing appropriate training to these staff.

The precast concrete works were sub-contracted to a local company which employed 27 local operatives at its peak. The same company also carried the steel fixing and concreting works out on site. Scaffolding was provided locally by 4 local operatives.

Scour protection mattresses were manufactured by SPS in Dundee Port whilst Briggs Marine, Fife provided marine access and carrying vessels.

The 7000 tonnes of concrete was supplied locally along with miscellaneous other materials and plant from local merchants and tool hire companies.

In total, 264 jobs were created on the project and 191 of these jobs were filled by local labour (72%).

The site is registered with the Considerate Constructors Scheme, showing VolkerStevin's commitment to operating with consideration for the environment and the local community it is working within.

The costs on the contract are controlled and monitored on a regular basis. The following summarises the current financial position with the contract:

	Projected Spend to end of Contract	Approved Budget
Contractor Professional Services	£188,456*	£100,000
Site Investigation	£753,037	£900,000
Contract Works	£15,236,382	£15,114,359
Share allowance	£250,000	£755,718
Contingencies (Additional Works)	£163,618	£1,020,923
DCC City Engineers Division Professional Fees	£155,568	£164,000
Professional Consultants Fees - Design	£439,151*	£380,000
Category 3 Design Check	£66,500	£75,000
Professional Consultants Fees - Contract	£431,212	£490,000
Other Allowances	£111,907	£100,000
Total	£17,795,831	£19,100,000
Saving	£1,304,169	

* Note that the contractor professional services fees and the professional consultants design fees are over the original budget for that heading, however this was to cover a number of value engineering exercises which has resulted in shared savings of over £500,000.

Overall, this project has been completed ahead of time, below budget and to high quality and safety standards. Volker Stevin and the Client and Design Team have worked well together on what was a high risk project in a marine environment. Local employment opportunities have been successfully achieved.

7.2 Column and Pier Survey

Reference is made to Article IV of the Tay Road Bridge Joint Board meeting of 10 September 2012 where the Joint Board authorised the appointment of Pendrich Height Services to carry out a specialist abseil inspection of the Tay Road Bridge columns and piers and to submit reports and record photographs and drawings. The tender price for the inspection works is £69,950.18.

The contractor started on site on 30 October 2012 and the inspection work is progressing well. Site works are programmed to be completed by 11 February 2013 with reporting completed by 5 March 2013.

The outcome of this Principal Inspection of the bridge columns and piers will be reported to the March 2013 Board meeting.

7.3 Dundee Waterfront - Removal and Reconstruction of Bridge Ramps

Dundee City Council awarded the contract for this stage of the works to Sir Robert MacAlpine Ltd at a cost of £8.2 million. This stage involves the phased removal and replacement of the remainder of the approach ramps to the Tay Road Bridge including the construction of temporary diversion routes necessary for the removal of the ramps. The works also include the construction of elements of roads, drainage and services within the Waterfront Development. Works associated with the Dundee Waterfront started on site on 30 August 2011

The works to the remainder of the bridge ramps are to be carried out in a number of phases over a two year period with completion by December 2013. Works started in January 2012 on the widening of the southbound on ramp at Customs House to accommodate two wide lanes of traffic. These works have now been completed and were opened in late April 2012. During the waterfront works, this widened ramp is now the only route onto the southbound carriageway of the Tay Road Bridge for traffic.

The traffic management arrangements for access to and egress from the bridge currently in place are those generally in place until the new ramps open in December 2013. These new long term temporary arrangements continue to work well.

The new traffic arrangements enabled the on ramp at Tayside House to be closed and demolition of the remaining bridge ramps started in early June 2012 and was completed ahead of programme by the end of July 2012. The demolition material from the ramps has been crushed and graded for recycling as fill material in the embankment of the new realigned bridge approach ramps. The new on ramps will be of reinforced earth construction with a granite clad facing to match the new westbound off ramp.

The new realigned ramp is currently under construction, re-using the crushed material within the vibro stone column piles and ground improvements structure and in the embankment itself. Construction of the new South Marketgait Bridge at South Victoria Dock Road is well underway with the new piers and abutment completed and steel beams for the new bridge deck erected on the western side tying in with the former toll plaza.

The works are progressing well and are currently ahead of schedule.

Further regular reports will be brought to the Board detailing progress with this important project.

The Bridge Manager will continue to provide the Board with a monthly update on progress.

8 CONSULTATIONS

8.1 The Clerk, Treasurer and Bridge Manager have been consulted in the preparation of this report.

9 BACKGROUND PAPERS

9.1 None.

Fergus Wilson
Engineer to the Board

FW/EH

Dundee City Council
Dundee House
Dundee

28 November 2012

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 10 DECEMBER 2012
 REPORT ON: REPORT ON OPERATIONAL RESTRICTIONS AND CLOSURES
 REPORT BY: THE BRIDGE MANAGER
 REPORT NO: TRB 30- 2012

1 PURPOSE OF REPORT

1.1 To appraise the Joint Board of the number and nature of operational restrictions and closures applied between 1 August and 31 October 2012.

2 RECOMMENDATIONS

The Board are asked to note the contents of this Report as at 31 October 2012.

3 FINANCIAL IMPLICATIONS

There are no financial implications as a result of this report.

4 POLICY IMPLICATIONS

4.1 None.

5 COMMENTARY ON OPERATIONAL RESTRICTIONS AND CLOSURES

5.1 Restrictions are applied to the traffic on the bridge for a number of reasons including recovering debris, breakdowns, high winds and other operational requirements.

A summary of the restrictions applied between August and October 2012 are given below:-

i) Single carriageway closures

Reason	Total Duration (Minutes)	No of Occasions	Average Duration (Minutes)
Operational	664	252	2.6
Breakdown	170	18	9
Misc. Incidents	nil	nil	nil

ii) Traffic Restrictions

Reason	Single Carriageway /Both	Total Duration (Minutes)	No of Occasions	Average Duration (Minutes)
High Winds				
No Double Deck Buses Allowed	Both	5370	14	383
Cars Only	Both	794	2	397
Full Closure	Both	0	0	0
Roadworks				
TRBJB	Single	3075	17	181
External Contractor	Single	0	0	0

On the 24th /25th September winds in excess of 60mph were recorded and restrictions put in place. This was the first time high wind restrictions were applied since the upgraded web site was in place.

On average the daily number of visits to the web site since June is of the order of 170. Over the 24 hour period of 24th /25th September this reached 7900. In addition to this of the order of 9000 RSS Feeds were sent indicating that the new web site was being well used for dissemination of information relating to high wind restrictions.

In addition to the evidence on the web site, Bridge Control staff received a lower volume of telephone enquiries relating to the restrictions.

iii) Closures on both carriageways

Reason	Full Closure	Total Duration (Minutes)	No of Occasions	Average Duration (Minutes)
Operational (Night Closures)	Yes	325	2	163
Police Incidents	Yes	213	11	19

iii) Availability of Bridge

Based on the above figures the various levels of availability of the bridge to users is as follows:-

Full availability (No restrictions)	92%
Partial Availability (Some restrictions)	7.6%
No Availability (Full Closure)	0.4%

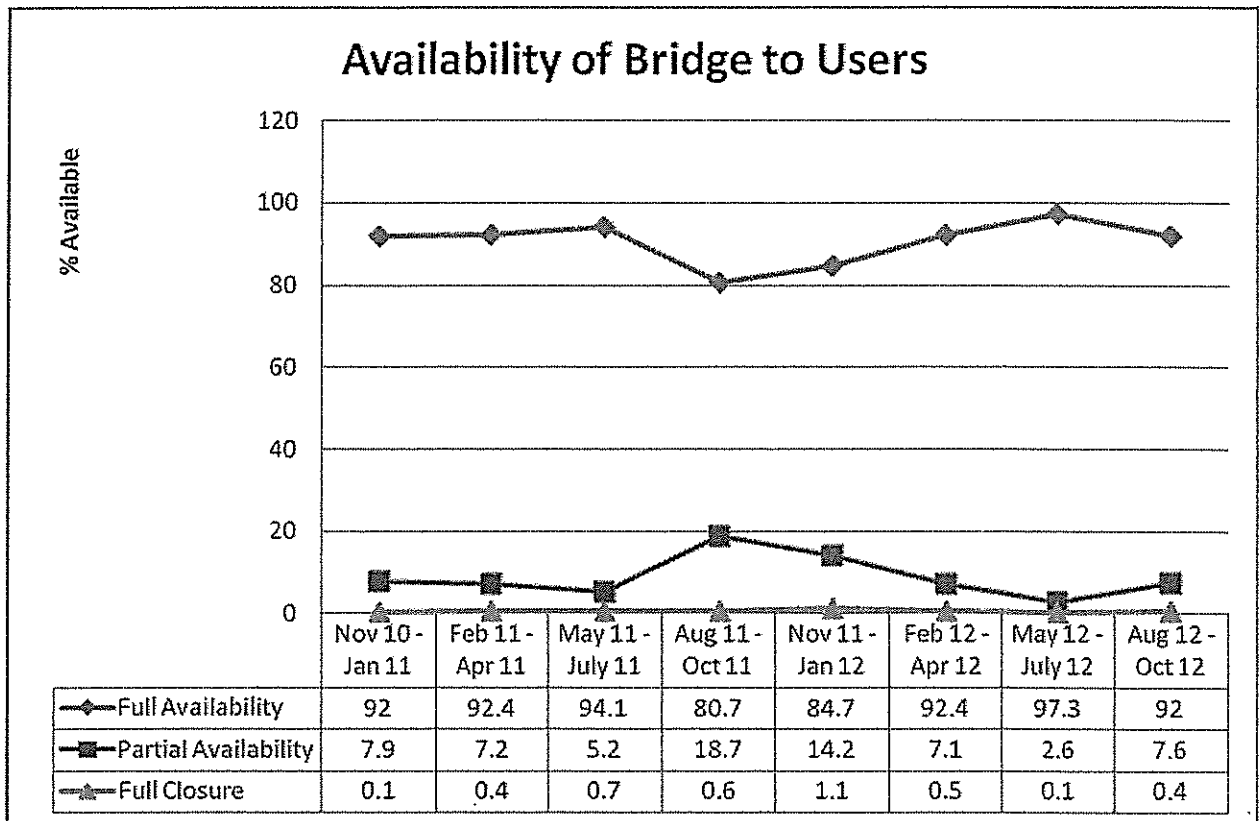


Figure 1 – Comparison of Availability of Bridge to Users

As can be seen from Figure 1 the bridge was either fully available or available with restrictions for 99.6% of the time.

The level of total closures for the period was relatively minor at 0.4%.

6 CONSULTATIONS

6.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

7.1 None

IAIN MACKINNON
BRIDGE MANAGER
14 November 2012

REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 10 DECEMBER 2012
 REPORT ON: REVENUE MONITORING - 7 MONTHS TO 31 OCTOBER 2012
 REPORT BY: THE TREASURER
 REPORT NO: TRB 25-2012

ITEM No. 4

1 PURPOSE OF REPORT

The purpose of this report is to appraise the Joint Board of the current monitoring position of its 2012/2013 Revenue Budget.

2 RECOMMENDATIONS

It is recommended that the Joint Board note the content of this Revenue Monitoring Report as at 31 October 2012.

3 FINANCIAL IMPLICATIONS

3.1 The current outturn for the financial year 2012/2013 shows a £10,000 overspend based on the financial ledger information up to 31 October 2012.

3.2 Following the removal of tolls the Board's Revenue Expenditure is now financed by an annual Revenue Grant from Scottish Government.

Due to the fact that the Board's Revenue Expenditure is fully funded by grant any underspend achieved will result in unspent grant being carried forward, with the agreement of the Scottish Government, to fund future years' Revenue Expenditure. The underspend achieved in 2011/2012 resulted in a Revenue Grant Balance carried forward into 2012/2013 of £160,000. This balance will be used to fund any overspend in the current financial year before any contributions are made from the General Fund Reserve Balance.

3.3 An overspend of £10,000 is projected in relation to Administration Supplies & Services Costs. This is due to an increase in the Engineering Combined Insurance Premium as there is now a requirement for more regular inspections due to recent modifications to the Runway Beam and Gantries (see 2012/13 Insurance Programme TRB 10-2012).

3.4 The projected overspend position, if it materialised, would be funded by applying £10,000 from previous year's Revenue Grant carried forward (as described in paragraph 3.2). This application of previous years' Revenue Grant carried forward will result in a projected balance of £150,000 at 31 March 2013.

3.5 The application of Revenue Grant carried forward to fund the projected overspend, if it materialised, would result in a projected General Fund Reserve of £1,160,591 at 31 March 2013. This level of retained reserves is subject to negotiation with the Scottish Government.

4 REASONS FOR REVENUE EXPENDITURE VARIANCES

The main reasons for the projected Revenue variances can be summarised as follows:

	£000
A projected overspend relating to Administration Supplies & Service Costs	10
NET OVERSPEND/(UNDERSPEND)	10

5 RISK ASSESSMENT

In preparing the Board's Annual Revenue Budget, the Treasurer considered the key strategic, operational and financial risks faced by the Board over this period. In order to alleviate the impact these risks may have should they occur, a number of general risk mitigating factors are utilised by the Board. These include:

- a system of perpetual detailed monthly budget monitoring with latest positions reported to quarterly Board meetings.
- the level of General Fund Reserve balances available to meet any unforeseen expenditure.
- the level of other cash backed reserves available to meet any unforeseen expenditure.
- the possibility of identifying further budget savings and efficiencies during the year if required.
- the possibility of identifying new income streams during the year.

6 POLICY IMPLICATIONS

None

7 CONSULTATIONS

The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report.

8 BACKGROUND PAPERS

None

MARJORY STEWART
TREASURER

13 NOVEMBER 2012

TAY ROAD BRIDGE JOINT BOARDREVENUE MONITORING AS AT 31 OCTOBER 2012

	Revenue Budget 2012/13 £	Expenditure to 31 Oct 2012 £	Final Projection 2012/13 £	Variance from Budget £	Paragraph Reference
EXPENDITURE					
<u>Administration</u>					
Staff Costs	184,327	107,718	184,327	-	
Property Costs	22,628	5,153	22,628	-	
Supplies and Services	164,064	141,241	174,064	10,000	(3.3)
Transport Costs	1,494	74	1,494	-	
Third Party Payments	76,191	-	76,191	-	
	448,704	254,186	458,704	10,000	
<u>Operations</u>					
Staff	491,405	269,251	491,405	-	
Supplies & Services	7,827	1,328	7,827	-	
	499,232	270,579	499,232	-	
<u>Plant and Equipment</u>					
Property	37,563	11,979	37,563	-	
Supplies & Services	108,823	49,124	108,823	-	
Transport	35,743	24,732	35,743	-	
Third Party Payments	11,488	4,137	11,488	-	
	193,617	89,972	193,617	-	
<u>Bridge Maintenance</u>					
Staff	448,390	236,643	448,390	-	
Property	11,750	3,523	11,750	-	
Supplies & Services	52,847	9,186	52,847	-	
Transport	557	32	557	-	
Third Party Payments	66,116	7,962	66,116	-	
	579,660	257,346	579,660	-	
GROSS EXPENDITURE	1,721,213	872,083	1,731,213	10,000	
INCOME					
Scottish Government Revenue Grant	1,700,000	991,667	1,700,000	-	
Interest on Revenue Balances	11,000	-	11,000	-	
Kiosk Rent	10,213	5,106	10,213	-	
Miscellaneous	-	225	-	-	
GROSS INCOME	1,721,213	996,998	1,721,213	-	
TOTAL NET DEFICIT/(SURPLUS)	-	(124,915)	10,000	10,000	

REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 10 DECEMBER 2012
 REPORT ON: CAPITAL MONITORING - 7 MONTHS TO 31 OCTOBER 2012
 REPORT BY: THE TREASURER
 REPORT NO: TRB 26-2012

ITEM No. 5

1 PURPOSE OF REPORT

The purpose of this report is to appraise the Joint Board of the current monitoring position of it's 2012/2013 Capital Budget.

2 RECOMMENDATIONS

It is recommended that the Joint Board note the content of this Capital Monitoring Report as at 31 October 2012.

3 FINANCIAL IMPLICATIONS

The Joint Board's 2012/2013 Capital Expenditure Programme of £8,556,000 was approved by the Board on 12 December 2011 (Report TRB 33-2011). From 1 April 2008 the Board's Capital Expenditure projects are being financed through Scottish Government Capital Grant.

Since the Capital Budget for 2012/2013 was approved, there has been slippage of £4,511,000 from the 2011/2012 capital expenditure programme into 2012/2013. This has been offset by budget reductions in 2012/2013 of £2,052,000 and £310,000 slippage into the 2013/2014 Capital Programme. The capital outturn for the financial year 2012/2013 (as detailed in Appendix A) is projected to be £10,705,000 based on the financial ledger information up to 31 October 2012 and this will be funded from 2012/2013 Capital Grant of £6,300,000 and Capital Grant carried forward from previous years of £4,405,000. This results in a projected Capital Grant carried forward into 2013/2014 of £815,000.

4 REASONS FOR CAPITAL EXPENDITURE INCREASE

The main reasons for the increase of £2,149,000 can be summarised as follows:

	£000
<u>Slippage from 2011/2012:</u>	
Inspections to Columns & Piers	170
Gantry Miscellaneous	11
Pier Collision Protection to Navigation Spans	4,274
Advance Warning Signs	56
<u>Budget Adjustments:</u>	
North Approach Viaduct Remedial Works	(100)
Carriageway Resurfacing	50
Paintwork to Box Girders	(50)
Pier Collision Protection to Navigation Spans	(1,952)
<u>Slippage into 2013/2014:</u>	
Inspection to Columns & Piers	(150)
North Approach Viaduct Remedial Works	(160)
Total Budget Adjustments	2,149

5 RISK ASSESSMENT

- 5.1 There are a number of risks which may have an impact on the Capital expenditure programme for 2012/2013. The main areas of risk are set out below, together with the mechanisms in place to help mitigate these risks.
- 5.2 Construction cost inflation levels remain relatively low, however they can on occasion be relatively high in comparison to general inflation. Therefore delays in scheduling and letting contracts may lead to increases in projected costs. Every effort will be made to ensure delays are avoided wherever possible and any increase in costs minimised.
- 5.3 Slippage in the Capital programme leads to the need to reschedule projects in the current year and possibly future years, therefore creating problems in delivering the programme on time. For this reason the programme is carefully monitored and any potential slippage is identified as soon as possible and any corrective action taken.
- 5.4 Capital projects can be subject to unforeseen price increases. The nature of construction projects is such that additional unexpected costs can occur. Contingencies are built into the budget for each capital project and these are closely monitored throughout the project.
- 5.5 There is risk associated with projects that are not yet legally committed as the works are not yet tendered for, and there is potential for costs to be greater than the allowance contained within the Capital Plan. As the majority of spend on these projects is in future years, the risk in the current year is not significant. Future years' Capital programme will be adjusted to reflect updated cost estimates.
- 5.6 The Capital Monitoring report and the Engineer's report provide information on individual projects contained within the Capital Budget and the impact of expenditure movements on the future financial years.

6 POLICY IMPLICATIONS

None

7 CONCLUSION

The Board's 2012/2013 capital programme is showing a projected capital spend of £10,705,000 which will be funded from Scottish Government grant.

The 2012/2013 capital expenditure programme will continue to be monitored on a regular basis throughout the remainder of the current financial year.

8 CONSULTATIONS

The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report.

9 BACKGROUND PAPERS

None

MARJORY STEWART
TREASURER

29 NOVEMBER 2012

TAY ROAD BRIDGE JOINT BOARD

CAPITAL EXPENDITURE MONITORING

7 MONTHS TO 31 OCTOBER 2012.

<u>Expenditure</u>	<u>Capital Budget 2012/13</u> <u>£000</u>	<u>Slippage from 2011/12</u> <u>£000</u>	<u>Budget Adjust</u> <u>£000</u>	<u>Slippage into 2013/14</u> <u>£000</u>	<u>Revised Capital Budget 2012/13</u> <u>£000</u>	<u>Actual to 31 Oct 2012</u> <u>£000</u>	<u>Projected Outturn 2012/13</u> <u>£000</u>	<u>Variance from Budget</u> <u>£000</u>
Inspections to Columns & Piers	100	170	-	(150)	120	-	120	-
Safety Boat	10	-	-	-	10	-	10	-
North Approach Viaduct Remedial Works	260	-	(100)	(160)	-	-	-	-
Carriageway Resurfacing	25	-	50	-	75	-	75	-
Gantry - Miscellaneous	25	11	-	-	36	-	36	-
CCTV/Ice Detection/CP Monitoring Equipment	50	-	-	-	50	-	50	-
Miscellaneous Projects	50	-	-	-	50	27	50	-
Paintwork to Box Girders	50	-	(50)	-	-	-	-	-
Pier Collision Protection to Nav Spans	7,986	4,274	(1,952)	-	10,308	6,927	10,308	-
Advance Warning Signs	-	56	-	-	56	-	56	-
Funded by:	8,556	4,511	(2,052)	(310)	10,705	6,954	10,705	-
Capital Grant 2012/2013	£000	£000	£000	£000	£000	£000	£000	£000
Capital Grant carried forward from Previous Years	6,300	-	-	-	6,300	5,941	6,300	-
Contribution from General Fund Reserve	2,256	4,511	(2,052)	(310)	4,405	-	4,405	-
Capital Receipt	-	-	-	-	-	-	-	-
	8,556	4,511	(2,052)	(310)	10,705	5,941	10,705	-

REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 10 DECEMBER 2012

REPORT ON: REVENUE BUDGET 2013/14

JOINT REPORT BY: TREASURER AND BRIDGE MANAGER

REPORT NO: TRB 27-2012

ITEM No. 6

1 PURPOSE OF REPORT

To appraise members of the Joint Board on the proposed Revenue Budget of the Tay Road Bridge for the financial year 2013/14.

2 RECOMMENDATIONS

The Board is asked to approve the 2013/14 Revenue Budget.

3 FINANCIAL IMPLICATIONS

The Board's 2013/14 Revenue Budget shows a balanced budget which is arrived at after assuming receipt of a Resource Grant from the Scottish Government of £1,700,000. The General Fund Reserve balance is projected to be £1,160,591 as at 31 March 2014.

4 REVENUE BUDGET 2013/14

- 4.1 The budget for staff costs includes a provision for estimated pay award of 1% for 2013/14. The budget also takes into consideration the effects of staff turnover whereby leavers who were employed at the top of their salary scales have been replaced by new starters who are employed at the lowest increment on the salary scale. It also takes into account the introduction of the Living Wage.
- 4.2 The triennial actuarial valuation of the Tayside Superannuation Fund was carried out in 2011 and took effect from 1 April 2012. The outcome of that valuation will have to be reflected in employer's contribution rates in the Revenue Budget for 2012/13 and future years. Currently the employer's contribution rate is 18.5% and no increase is anticipated in 2013/14.
- 4.3 A general inflationary increase of 0% on 2012/13 non-staff costs was included in the 2013/14 Revenue Budget with specific allowances made for anticipated increases or decreases in individual budgets.
- 4.4 The 2013/14 Revenue Budget has been prepared in accordance with previous years' budgets. A copy of the detailed Revenue Budget 2013/14 is enclosed at Appendix A.
- 4.5 The Scottish Government's Comprehensive Spending Review confirmed that the funding requirement for the 2013/14 Revenue Budget would be met. However the Scottish Government's CSR is for 2012/13 to 2014/15 only and there is no guarantee that this level of funding will be maintained in future years.

5 RESERVES AND BALANCES

5.1 Section 12(1) of the Local Government in Scotland Act 2003 states that "It is the duty of a local authority to observe proper accounting practices". CIPFA have previously issued guidance on Local Authority Reserves and Balances (including an update in November 2008), and this guidance is considered to constitute proper accounting practice. The key requirements of the guidance, as they affect the Board, are two-fold:

- i the setting out of a clear protocol covering the purpose, utilisation, management, control and review of reserves and balances.
- ii the inclusion in the annual budget report of a statement on reserves and balances detailing the proposed strategy over the budget period, after taking into account the strategic, operational and financial risks facing the Board.

5.2 The Board agreed report TRB 25-2009 Guidance on Reserves and Balances on 14 December 2009. This report included a protocol for the operation of the Board's Reserves and Balances, thereby addressing the first key requirement detailed in paragraph 5.1 above. The proposed protocol includes the following element which in itself addresses the second key requirement detailed in paragraph 5.1 above:

In the Annual Budget report that is considered by the Board, the Treasurer shall include the following:

- i a note highlighting the estimated opening and closing General Fund balances for the financial year ahead.
- ii a note advising as to the adequacy of the General Fund balances over the budget period(s) under consideration, after taking into account the strategic, operational and financial risks facing the Board.
- iii a note reporting on the annual review of earmarked Reserves.

5.3 In accordance with the element of the proposed protocol that relates to the annual budget report, the following statements are made by the Treasurer:

- i The Board's Audited Statement of Accounts 2011/2012 showed a General Fund Reserve Balance of £1,160,591 at 31 March 2012.
The Board's Revenue Expenditure is fully funded by grant and any underspend achieved will result in unspent grant being carried forward, with the agreement of the Scottish Government, to fund future years' Revenue Expenditure. The underspend achieved in 2011/2012 resulted in a Revenue Grant Balance carried forward into 2012/2013 of £160,000. This balance will be used to fund any overspend in the current financial year before any contributions are made from the General Fund Reserve Balance.
The 2012/13 Revenue monitoring currently projects an overspend of £10,000.
Taking the above factors into account, the level of Revenue Grant Balance carried forward at 31 March 2013 is projected to be £150,000 and the level of uncommitted General Fund Reserve Balances at 31 March 2013 is estimated at £1,160,591. There are no further known expenditure commitments or additional income that would materially affect this projected balances figure.
- ii after taking into account the strategic, operational and financial risks facing the Board it is considered that the minimum level of uncommitted balances that the Board should maintain is £800,000.

- iii the Board's earmarked reserve (i.e. the Capital Grants Unapplied Reserve) has been reviewed and is considered to be adequate for its intended purpose.

6 RISK ASSESSMENT

6.1 In preparing the Board's Annual Revenue Budget the Treasurer considered the key strategic, operational and financial risks faced by the Board over this period.

6.2 The main risk factors considered were:

- the possibility of new cost pressures or responsibilities emerging during the course of the financial year.
- anticipated changes in service provision.
- the certainty of significant income streams.
- the inherent uncertainty surrounding matters such as interest rates and price inflation.
- the possibility of major items of unforeseen expenditure.
- the possibility of identifying further budget savings and efficiencies, if required.
- the adequacy of the Board's insurance arrangements.

6.3 In order to alleviate the impact these risks may have should they occur, a number of general risk mitigating factors are utilised by the Board. These include:

- a system of perpetual detailed monthly budget monitoring with latest positions reported to quarterly Board meetings.
- the level of General Fund balances available to meet any unforeseen expenditure.
- the level of other cash backed reserves available to meet any unforeseen expenditure.
- the possibility of identifying further budget savings and efficiencies during the year if required.
- the possibility of identifying new income streams during the year.

7 POLICY IMPLICATIONS

None

8 CONSULTATIONS

The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report.

9 BACKGROUND PAPERS

None

**MARJORY STEWART
TREASURER**

22 NOVEMBER 2012

TAY ROAD BRIDGE JOINT BOARDREVENUE BUDGET 2013/14

	2012/13 Revenue Budget £	2012/13 Final Projection £	2013/14 Revenue Budget £
<u>Administration</u>			
Staff	184,327	184,327	183,823
Property	22,628	22,628	19,200
Supplies & Services	164,064	174,064	173,220
Transport	1,494	1,494	1,100
Third Party Payments	<u>76,191</u>	<u>76,191</u>	<u>79,250</u>
	<u>448,704</u>	<u>458,704</u>	<u>456,593</u>
<u>Operations</u>			
Staff	491,405	491,405	486,624
Supplies & Services	<u>7,827</u>	<u>7,827</u>	<u>7,500</u>
	<u>499,232</u>	<u>499,232</u>	<u>494,124</u>
<u>Plant & Equipment</u>			
Property	37,563	37,563	36,650
Supplies & Services	108,823	108,823	123,350
Transport	35,743	35,743	39,900
Third Party Payments	<u>11,488</u>	<u>11,488</u>	<u>17,650</u>
	<u>193,617</u>	<u>193,617</u>	<u>217,550</u>
<u>Bridge Maintenance</u>			
Staff	448,390	448,390	442,896
Property	11,750	11,750	12,800
Supplies & Services	52,847	52,847	51,950
Transport	557	557	550
Third Party Payments	<u>66,116</u>	<u>66,116</u>	<u>44,750</u>
	<u>579,660</u>	<u>579,660</u>	<u>552,946</u>
GROSS EXPENDITURE	<u>1,721,213</u>	<u>1,731,213</u>	<u>1,721,213</u>
<u>Income</u>			
Scottish Government Resource Grant	1,700,000	1,700,000	1,700,000
Interest on Revenue Balances	11,000	11,000	11,000
Kiosk Rent	10,213	10,213	10,213
Miscellaneous	—	—	—
GROSS INCOME	<u>1,721,213</u>	<u>1,721,213</u>	<u>1,721,213</u>
TOTAL DEFICIT/(SURPLUS) MET FROM GENERAL FUND BALANCES	<u>—</u>	<u>10,000</u>	<u>—</u>

REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 10 DECEMBER 2012

REPORT ON: CAPITAL PLAN 2013/14 TO 2015/16

REPORT BY: TREASURER

REPORT NO: TRB 28-2012

ITEM No. 7

1 PURPOSE OF REPORT

The purpose of this report is to approve the Board's Capital Plan for the period 2013/14 to 2015/16 inclusive.

2 RECOMMENDATIONS

It is recommended that the Board approve the Capital Plan as detailed in Appendix A of this report subject to confirmation of grant funding by the Scottish Government.

3 FINANCIAL IMPLICATIONS

3.1 The Abolition of Bridge Tolls (Scotland) Act 2008 received Royal Assent on 24 January 2008. From 1 April 2008 the Board's annual capital expenditure programme has been financed through a Scottish Government Capital Grant.

3.2 The revised capital programme and agreed capital grant funding which are highlighted in Appendix A, show planned expenditure and income as follows:

<u>Financial Year</u>	<u>Capital Budget £000</u>	<u>Grant Funding £000</u>
2013/14	740	500
2014/15	2,510	-
2015/16	2,250	-

3.3 The Bridge Manager and the Engineer to the Board have prepared the draft 3 year Capital Plan which is detailed in Appendix A of this report.

3.4 Appendix A also shows the agreed capital grant funding from the Scottish Government and the respective funding deficits in each financial year which will need to be the subject of further discussions with the Scottish Government.

4 RISK ASSESSMENT

4.1 There are a number of risks which may have an impact on the Capital Budget programme. The main areas of risk are set out below, together with the mechanisms in place to help mitigate these risks.

4.2 Construction cost inflation levels remain relatively low, however they can on occasion be relatively high in comparison to general inflation. Therefore delays in scheduling and letting contracts may lead to increases in projected costs. Every effort will be made to ensure delays are avoided wherever possible and any increase in costs minimised.

4.3 Slippage in the Capital programme leads to the need to reschedule projects in the current year and possibly future years, therefore creating problems in delivering the programme on time. For this reason the programme is carefully monitored and any potential slippage is identified as soon as possible and any corrective action taken.

- 4.4 Capital projects can be subject to unforeseen price increases. The nature of construction projects is such that additional unexpected costs can occur. Contingencies are built into the budget for each capital project and these are closely monitored throughout the project.
- 4.5 There is risk associated with projects that are not yet legally committed as the works are not yet tendered for, and there is potential for costs to be greater than the allowance contained within the Capital Plan. As the majority of spend on these projects is in future years, the risk in the current year is not significant. Future years' Capital programme will be adjusted to reflect updated cost estimates.
- 4.6 The Capital Monitoring report and the Engineer's report provide information on individual projects contained within the Capital Budget and the impact of expenditure movements on the future financial years.

5 POLICY IMPLICATIONS

None

6 CONSULTATIONS

The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

None

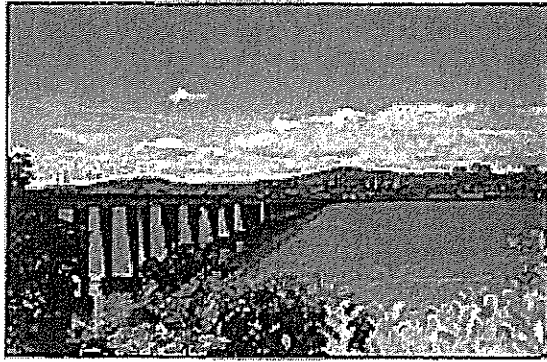
MARJORY STEWART
TREASURER

22 NOVEMBER 2012

TAY ROAD BRIDGE JOINT BOARDPROPOSED CAPITAL EXPENDITURE PROGRAMME 2013/14 - 2015/16

<u>Project Title</u>	<u>Projected</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
	<u>Outturn</u>			
	<u>2012/13</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Safety Boat	10	-	10	-
New Vehicles	-	30	-	30
North Approach Viaducts Remedial Works	-	160	-	-
Carriageway Resurfacing	75	75	1,500	1,500
Inspections to Columns and Piers	120	150	-	-
Paintwork to Box Girders	-	50	50	100
Pier Collision Protection to Navigation Spans	10,308	-	400	-
Gantry – Miscellaneous	36	25	25	25
CCTV/Ice Detection/CP Monitoring Equipment	50	100	50	50
Miscellaneous Projects	50	50	50	100
Advanced Warning Signs	56	100	-	-
Replacement of Expansion Joints	-	-	425	425
Scour Protection	-	-	-	<u>20</u>
	<u>10,705</u>	<u>740</u>	<u>2,510</u>	<u>2,250</u>
<u>Funded by</u>				
Capital Grant	6,300	500	-	-
Capital Grant carried forward from previous years	4,405	240	575	-
Capital Receipts	-	-	-	-
	<u>10,705</u>	<u>740</u>	<u>575</u>	<u>-</u>
Additional Capital Grant Required	<u>-</u>	<u>-</u>	<u>1,935</u>	<u>2,250</u>

ITEM No. 8(a)



TAY ROAD BRIDGE JOINT BOARD

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012

AUDITED

SEPTEMBER 2012

TAY ROAD BRIDGE JOINT BOARD
STATEMENT OF ACCOUNTS 2011/2012

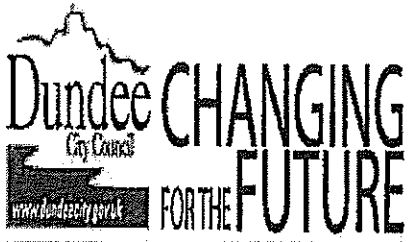


CONTENTS

	<u>Page No</u>
Members and Officials	2
Bridge Manager's Report	3
Treasurer's Report	5
Annual Governance Statement	9
Annual Remuneration Report	11
Statement of Responsibilities for the Statement of Accounts	14
Movement in Reserves Statement	15
Comprehensive Income & Expenditure Statement	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19
Independent Auditor's Report	49

TAY ROAD BRIDGE JOINT BOARD

MEMBERS AND OFFICIALS

The Board comprises 12 elected members who are appointed by the three constituent local authorities to serve on the Board. Dundee City Council nominates 6 members, Angus Council have 1 member and Fife Council nominate the remaining 5 members. Following the previous Scottish Local Government Elections that were held in May 2007 it was agreed by the Board that Dundee City Council would continue to act as lead authority to the Board, and consequently, the Council are required to appoint officers to serve as officials of the Board. At the end of financial year 2011/2012, the Members and Officials of the Board were:

Representing Dundee City Council	
<p>Councillor David Bowes Councillor Will Dawson Councillor Ken Lynn Councillor Mohammed Asif Councillor Tom Ferguson (Vice Chair) Ballie Rod Wallace</p>	
Representing Angus Council	
<p>Councillor John R Whyte</p>	
Representing Fife Council	
<p>Councillor Andrew Arbuckle (Chair) Councillor Jim Young Councillor David MacDairmid Councillor Margaret Taylor Councillor Ross Vetraino</p>	
Bridge Manager	
Mr Iain MacKinnon BSc, C Eng, MICE	
Engineer	
Mr Fergus Wilson BSc, MBA, C Eng, MICE, MIHT, Dundee City Council	
Clerk	
Ms Patricia McIlquham LLB, Dundee City Council	
Treasurer	
Mrs Marjory M Stewart FCCA, CPFA, Dundee City Council	

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 dundee.gov.uk

TAY ROAD BRIDGE JOINT BOARD

Bridge Manager's Report

Organisational Changes

In March 2012, the Clerk to the Board, Patricia McIlquham retired after holding the position for 16 years. Roger Mennie, Head of Democratic and Legal Services, Dundee City Council, was appointed Clerk to the Board as of 1 April 2012.

The current Chair, Andrew Arbuckle, is not seeking re-election to Fife Council and will be standing down as Chair after the Local Government Elections on 3 May 2012.

The Bridge Manager would like to extend his thanks to the outgoing Chair and Clerk to the Board for their support and assistance.

Management Arrangement with Scottish Government

During this period, the main point of contact with the Scottish Government continued to be the Trunk Road and Bus Operations Team of Transport Scotland. Meetings have been held on a regular basis between Board Officers and officers from the Trunk Road and Bus Operations Team to discuss financial matters etc.

Contracts

Pier Collision Protection Works

The Bridge Manager, in conjunction with the Engineer to the Board, has been extensively involved in the design and construction process for the Pier Collision Protection Works contract, which was awarded to Volker Stevin in January 2011. In addition to the design and construction process, the Bridge Manager has worked with the Harbour Master and Volker Stevin regarding navigation issues associated with the works.

Variable Message Signs

Ongoing problems with the provision of an electrical supply have resulted in further delay to the completion of this project. The final work to provide power to the site was completed in March 2012 and it is anticipated that the final sign installation will now be completed in the May 2012.

Maintenance Gantries

The Board's two self propelled maintenance gantries were subjected to a full Principle Inspection and refurbishment programme. The refurbishment works, which included the removal and replacement of the slew ring mechanisms, were carried out in-house and will add several years to the lifespan of the gantries before full replacement will be required.

Dundee Central Waterfront Development

Contract 2 to reconstruct the Perth off ramp was completed in November 2011 and during the works there were only nominal effects on bridge users. Contract 3 for the demolition and reconstruction of the remaining ramps was awarded to Sir Robert McAlpine and the Bridge Manager was involved in the Contractor interview and assessment element of the procurement process. To date the bulk of the works have had little or no effect on bridge users.

Traffic

Due to the ongoing work to reconfigure the bridge approach spans as part of the Dundee City Waterfront Development there have been prolonged periods where the traffic counters have been unavailable for use therefore there has been insufficient data collected to provide meaningful comparison of traffic flows. On completion of the reconfiguration of the bridge approaches the traffic counters will be reinstated and full traffic figures collected for future reports.

One or both lanes on the bridge were closed on a number of occasions over the past twelve months. The table below summarises the reasons and number of occurrences:-

Wind speed > 80mph Closed to all Vehicles	Wind speed > 60mph Cars Only	Wind speed > 45mph No Double Deck buses	Minor accidents	Breakdowns	Works related closures	Debris collection etc
7	24	72	13	69	260	313

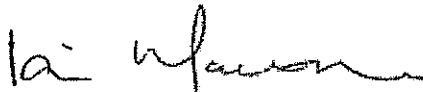
The number of wind speed restrictions was considerably higher than previous years with full closures being implemented on 7 occasions. Five of the closures occurred in the 4 week period between 8 December 2011 and 3 January 2012. The number of other restrictions due to high winds also increased substantially.

Staffing Issues

Staff Establishment

There has been no change to the number of permanent posts within the staff establishment which stands as follows:-

Administration	5
Operational	15
Maintenance	14
Cleaner (P/T)	1
Total	<u>35</u>



Iain Mackinnon
Bridge Manager
Tay Road Bridge Joint Board
28 September 2012

TAY ROAD BRIDGE JOINT BOARD

TREASURER'S REPORT

Introduction

This report is intended as a commentary on the Tay Road Bridge Joint Board's financial position, as presented within the Statement of Accounts for the financial year 2011/2012.

Statement of Responsibilities for the Statement of Accounts (see page 9)

This statement sets out the main financial responsibilities of the Board and the Treasurer.

The Accounting Statements (see pages 10 to 41)

Movement in Reserves Statement:

This statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'.

Comprehensive Income & Expenditure Account:

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

Balance Sheet:

Shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board.

Cash Flow Statement:

Shows the changes in cash and cash equivalents of the Board during the reporting period.

Notes to the Financial Statements:

These are intended to give the reader further information which is not separately detailed in the financial statements. They also include the Accounting Policies which set out the basis upon which the financial statements have been prepared and explains the accounting treatment of both general and specific items.

Annual Governance Statement (see page 42)

This statement sets out the Board's Corporate Governance arrangements, explaining how the Board conducts its business, both internally and in its dealings with others. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

Remuneration Report (see page 44)

This statement sets out the remuneration and accrued pension benefits of the senior employee of the Board and the policy context, in accordance with Scottish Government regulations.

Revenue Expenditure

The Tay Road Bridge Joint Board, at its meeting on 13 December 2010, approved the 2011/2012 Revenue Budget. The final budget showed a break-even position. The projected General Reserve balance as at 31 March 2012 would be £1,107,451. However, subsequent underspends totalling £53,140 were achieved in 2010/2011 (after the budget for 2011/2012 was set) which had the effect that the projected General Reserve balance as at 31 March 2012 increased to £1,160,591.

The Board received quarterly Revenue Monitoring reports during 2011/2012 in order to keep the members fully apprised as to the projected revenue outturn position.

The following table reconciles the Revenue Budget approved by the Board on 13 December 2010 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 11. The actual outturn for 2011/2012 was a net overspend against budget of £9,000 and the detailed variance analysis is set out on pages 6 and 7.

	Approved Budget £000	Corp & Democratic Core Re-allocation £000	Net Depreciation & Impairment Allocation £000	Re-allocate Investment Property Inc & Exp £000	Net (Gain) or Loss on Disposal of Assets £000	Recognised Capital Grant £000	Revaluation of PPE Assets £000	IAS 19 Adjs £000	Revised Budget £000	Actual Expend/ (Income) £000	Over / (Under) Spend £000
Staff Costs	1,105	-	-	-	-	-	-	11	1,116	1,078	(38)
Property Costs	63	-	-	(2)	-	-	-	-	61	42	(19)
Supplies and Services	315	(14)	-	-	-	-	-	-	301	275	(26)
Transport Costs	36	-	-	-	-	-	-	-	36	38	2
Third Party Payments	161	(10)	-	-	-	-	-	-	151	141	(10)
Depreciation & Impairment	-	-	1,453	-	-	-	-	-	1,453	1,453	-
Corporate & Democratic Core	-	24	-	-	-	-	-	-	24	22	(2)
Non Distributed Costs	-	-	-	-	-	-	-	-	-	-	-
Cost of Expenditure	1,680	-	1,453	(2)	-	-	-	11	3,142	3,049	(93)
Other Operating Income & Expenditure	(15)	-	-	10	(3)	-	-	-	(8)	(3)	5
Financing & Investment Income & Expenditure	(15)	-	-	(8)	-	-	(11)	(49)	(83)	(96)	(13)
Non-Specific Grant Income	(1,650)	-	-	-	-	(11,350)	-	-	(13,000)	(12,890)	110
(Surplus) / Deficit on Provision of Service	-	-	1,453	-	(3)	(11,350)	(11)	(38)	(9,949)	(9,940)	9
Actuarial Gains / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	-	355	355	355	-
Total Comprehensive Income & Expenditure	-	-	1,453	-	(3)	(11,350)	(11)	317	(9,594)	(9,585)	9
IAS 19 Adjustments	-	-	-	-	-	-	-	(317)	(317)	(325)	(8)
Other IFRS Code Accounting Adjustments	-	-	(1,453)	-	3	11,350	11	-	9,911	9,910	(1)
Total (Surplus)/ Deficit	-	-	-	-	-	-	-	-	-	-	-
General Reserve Balance b/fwd	(1,161)	-	-	-	-	-	-	-	(1,161)	(1,161)	-
General Reserve Balance c/fwd	(1,161)	-	-	-	-	-	-	-	(1,161)	(1,161)	-

Staff Costs (Underspend £38,000)

Mainly reflects posts that have been held vacant during the year. In addition, expenditure on overtime has been lower than budgeted following a reduction in the level of overtime worked due to the bridge gantries being unavailable during the year.

Property Costs (Underspend £19,000)

Reflects lower expenditure relating to electricity costs due to a new contract being negotiated at the start of the year. In addition, expenditure on ground maintenance at the Fife landfall has reduced following the decision to take these duties in-house.

Supplies & Services (Underspend £26,000)

Due to ongoing capital contracts there was a reduction in the amount of bridge maintenance work carried out during the year which has resulted in lower than anticipated expenditure on the purchase of equipment and materials, plant hire and other miscellaneous supplies and services. Additionally, there was an underspend on de-icing materials due to the mild winter. These variances were partly offset by additional costs incurred on upgrading weather monitoring software and unplanned repairs required to the road barrier at Fife and the walkway lift.

Transport Costs (Overspend £2,000)

Reflects increased expenditure on repairs and maintenance as unplanned repairs were required on one of the vehicles. This was partly offset by minor underspends in a number of budget headings including travel and subsistence, and business mileage as more training has either been brought in-house or on-site.

Third Party Payments (Underspend £10,000)

Reflects savings relating to the Pier Scour Protection survey being delayed to coincide with the Pier Collision Protection Works in 2012/2013, as well as a shortfall in the amount of professional fees for the cathodic protection system due to lack of access, and reduced charges for police services as the terms were renegotiated with Tayside Police. These variances were partly offset by additional professional fees required due to an increase in structural inspections required.

Corporate and Democratic Core Costs (Underspend £2,000)

Due to a reduction in external audit fees.

Other Operating Income and Expenditure (Income Shortfall £5,000)

Reflects the fact that the original budget was over-estimated due to higher levels of income in previous years.

Financing and Investment Income and Expenditure (Increased Income £13,000)

Reflects increase in interest received on bank balances due to higher than anticipated average balances due to large amounts of Capital Grant income.

Non-Specific Grant Income (Income Shortfall £110,000)

Reflects the fact that any unused Revenue Grant (with conditions) is to be held in creditors so that it can be applied to match expenditure in future years.

General Reserve

There was a break-even position for the financial year 2011/2012. This gives a total General Reserve balance of £1,160,591 at 31 March 2012.

Capital Expenditure and Financing

During 2011/2012, the Board incurred capital expenditure of £6,122,000 on the following projects:-

	<u>£000</u>
North Approach Viaduct Remedial Works	7
Carriageway Resurfacing	6
Gantry	14
Fife Abutment Bearing Replacement	40
Pier Collision Protection	5,952
Advanced Warning Signs	7
Other Projects	<u>96</u>
	<u>6,122</u>
Capital expenditure was funded as follows:	
	<u>£000</u>
Capital Grant from the Scottish Government	6,119
Capital Receipts	<u>3</u>
	<u>6,122</u>

In addition to above, an asset of £2.55m has been recognised in the Balance Sheet (2010/2011 Restated - £1.91m). This relates to the new western off-ramp which had been constructed by Dundee City Council as part of the central waterfront development and subsequently transferred to the Board, as well £0.469m as assets under construction at 31 March 2012 which relates to the remaining off-ramps.

Control of Revenue and Capital Expenditure

The control of both the revenue and capital expenditure of the Board is an ongoing and substantial exercise which requires a positive contribution from staff and elected members to ensure that the Board's financial objectives are achieved and that financial resources are fully utilised.

Pension Liability (IAS 19)

Under IAS 19 (Employee Benefits) the Board is required to include figures in its Statement of Accounts relating to the assets, liabilities, income and expenditure of the pension schemes for its employees. It has been estimated that the Board had a net pension liability of £2,072,000 as at 31 March 2012. The estimated net pension liability at 31 March 2011 was £1,747,000. A decrease in the real interest rate and changes in the underlying assumptions used to calculate scheme liabilities have caused an increase in liabilities. This was partly offset by an increase in the value of scheme assets, resulting in the overall net liability increasing by £325,000.

Acknowledgements

During the 2011/2012 financial year the Board's financial position has required continuous scrutiny and strict budgetary control. I would like to thank the Bridge Manager, Bridge Engineer and their staff in controlling the Board's expenditure and income. In addition, I wish to mention my appreciation of the help and co-operation provided during the financial year by the elected members and by Patricia McIlquham, Clerk to the Board.

I would also like to acknowledge the support and contribution made by Patricia McIlquham who retired in March 2012 after holding the position of Clerk to the Board for 16 years. Furthermore, I also wish to extend my appreciation for the contribution made by the current chair, Andrew Arbuckle, who is not seeking re-election to Fife Council and has stood down as chair after the Local Government elections on 3 May 2012.

Finally, I would conclude my report by thanking all staff who contributed to the preparation of the Board's 2011/2012 Statement of Accounts.

M M Stewart

Marjory M Stewart, FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board
28 September 2012

TAY ROAD BRIDGE JOINT BOARD

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Tay Road Bridge Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently, effectively, and ethically. The Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Board has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*. This statement explains how Tay Road Bridge Joint Board delivers good governance and reviews the effectiveness of these arrangements.

The Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Board is directed and controlled. It also describes the way it engages with and accounts to stakeholders. It enables the Board to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The framework reflects the arrangements in place to meet the six supporting principles of effective corporate governance. These are as follows:

- focusing on the purpose of the Board and on outcomes for the community and creating and implementing a vision for the local area;
- members and officers working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the Board and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capabilities of members and officers to be effective; and
- engaging with local people and other stakeholders to ensure robust public accountability.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The overall control arrangements include:

- identifying the Board's objectives in the Service Plan;
- monitoring of objectives by the Board and senior officers;
- reporting performance regularly to Board meetings;
- clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers;
- approved Fraud Guidelines which include anti-fraud and corruption strategies, and "whistle-blowing" arrangements;
- setting targets to measure financial and service performance; and
- formal revenue and capital budgetary control systems and procedures.

Additionally, in order to support Chief Financial Officers in the fulfilment of their duties and to ensure that local authority organisations have access to effective financial advice of the highest level, CIPFA's *Role of the Chief Financial Officer* has introduced a "comply or explain" requirement in the Annual Statement of Accounts.

Review of Effectiveness

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

In addition the Board have made a self-assessment of their own arrangements. This involved the completion, by the Bridge Manager, of a 56-point checklist covering the six supporting principles defined in CIPFA/SOLACE's *Delivering Good Governance in Local Government*. This indicated a high level of compliance.

The Board's Internal Audit Service operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom and reports to the Board. Internal Audit undertakes an annual programme of work, which is reported to the Board. The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control.

The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer*.

Continuous Improvement Agenda

The following areas were identified by the Bridge Manager in the self-assessment checklists completed as part of the Board's assurance gathering process where further improvement could be made:

- Develop a formal complaints procedure.

During 2011/2012, Internal Audit conducted a review of the Corporate Governance and Planning arrangements in place at the Board. This identified the following areas where further improvements could be made:

- Update the current Code of Corporate Governance to include a section which identifies the key partnerships and relationships that the Board has with other bodies;
- Update the current Code of Corporate Governance to reflect changes made since the introduction of the Business Continuity Plan and changes in both external and internal auditors; and
- Develop a formal complaints procedure (taking account of updated guidance still to be issued by the Scottish Ombudsman's Office).

It is proposed over 2012/13 steps are taken to address the items identified in the Continuous Improvement Agenda to further enhance the Board's governance arrangements.

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Board complies with the Local Code of Corporate Governance in all significant respects.



Marjory Stewart FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board
28 September 2012



Iain MacKinnon
Bridge Manager
Tay Road Bridge Joint Board
28 September 2012

TAY ROAD BRIDGE JOINT BOARD
ANNUAL REMUNERATION REPORT

INTRODUCTION

The Board is required to prepare and publish within its Statement of Accounts an annual Remuneration Report under the Local Authority Accounts (Scotland) Amendment Regulations 2011 (Scottish Statutory Instrument No. 2011/64), which came into force on 31 March 2011. The report sets out the remuneration and accrued pension benefits of the Senior Employees of the Board. The report also provides information on the number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000 above £50,000. No Councillors receive remuneration from the Board. The following report has been prepared in accordance with the aforementioned Regulations and also in accordance with the non-statutory guidance set out in Scottish Government Finance Circular 8/2011, issued on 13 May 2011.

The Board's External Auditor is required to audit certain parts of the Remuneration Report and give a separate opinion in his report on the Statement of Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations. Tables 1 and 2 are subject to audit, and the remainder of the report is subject to review.

REMUNERATION ARRANGEMENTS

Senior Board Members

The Chairman and Vice-Chairman do not receive any remuneration (2010/2011: Nil remuneration).

Senior Employees

The salary of Senior Employees is set by reference to national agreements. The salaries of senior employees of the Board take into account the duties and responsibilities of their posts. The Board is responsible for agreeing the salaries of senior employees. All Board employees are entitled to participate in Dundee City Council's Contract Car Hire Scheme, subject to meeting certain criteria. The Council's Policy & Resources Committee is also responsible for agreeing the terms of the Contract Car Hire Scheme.

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Board:

- (i) 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;
- (ii) 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
- (iii) annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Board has determined that one employee met the criteria for designation as a Senior Employee in 2011/2012, with the employee falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 1.

The Regulations also require information to be published on the total number of Board employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000 above £50,000 and is shown in the following table.

Remuneration Bands	No of Employees	No of Employees
	2011/2012	2010/2011
£50,000 - £54,999	-	-
£55,000 - £59,999	1	1
Total	1	1

EXIT PACKAGES

There were no exit packages agreed during 2011/2012 (2010/2011: No exit packages agreed).

ACCRUED PENSION BENEFITS

Pension benefits for Local Government Employees are provided through the Local Government Pension Scheme (LGPS). Local Government Employees pension benefits are a final salary pension scheme. This means that pension benefits are based on the final year's pay and the number years that the person has been a member of the scheme. The scheme's normal retirement age for Local Government Employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The tiers and members contribution rates for 2011/2012 remain at the 2009/2010 rates and are as follows:

Whole Time Pay	Contribution Rate 2011/2012	Contribution Rate 2010/2011
On earnings up to and including £18,000	5.5%	5.5%
On earnings above £18,000 and up to £22,000	7.25%	7.25%
On earnings above £22,000 and up to £30,000	8.5%	8.5%
On earnings above £30,000 and up to £40,000	9.5%	9.5%
On earnings above £40,000	12%	12%

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

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 2, together with the pension contributions made by the Board.

Assumptions and Contextual Information

The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total Local Government service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- (i) the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement.
- (ii) the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time. In 2011/2012, the scheme member contribution rate for Senior Employees of the Board was 8.6% of pensionable pay. In 2011/2012, the employer contribution rate was 18.5% of pensionable pay for Senior Employees.



Marjory M Stewart, FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board
28 September 2012

TABLE 1 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Salary, Fees & Allowances £	Bonuses £	Taxable Expenses £	Compensation for Loss of Employment £	Benefits Other Than in Cash £	Total Remuneration 2011/2012 £	Total Remuneration 2010/2011 £
J. I. MacKinnon	Bridge Manager	57,845	0	0	0	0	57,845	57,845
Total		57,845	0	0	0	0	57,845	57,845

TABLE 2 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2012 £000	Pension Difference from 31 March 2011 £000	Lump Sum as at 31 March 2012 £000	Lump Sum Difference from 31 March 2011 £000	Pension Contribution 2011/2012 £	Pension Contribution 2010/2011 £
J.I. MacKinnon	Bridge Manager	24	2	62	0	10,701	10,701
Total		24	2	62	0	10,701	10,701

TAY ROAD BRIDGE JOINT BOARD

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Joint Board's responsibilities

The Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Joint Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Audited Statement of Accounts.

The Treasurer's responsibilities

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

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts presents a true and fair view of the financial position of the Joint Board at the accounting date and its income and expenditure for the year ended 31 March 2012.



Marjory M Stewart, FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board
28 September 2012

TAY ROAD BRIDGE JOINT BOARD
MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves.' The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Board's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Reserve Balance. The Net Increase / (Decrease) before Transfers to Earmarked Reserves line shows the statutory General Reserve balance before any discretionary transfers to or from earmarked reserves undertaken by the Board.

	General Fund Balance £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Board Reserves £000
Balance at 31 March 2010	(1,454)	(1,504)	(2,958)	(47,252)	(50,210)
<u>Movement in Reserves during 2010/11</u> <u>(Restated per Note 1D)</u>					
Surplus or (deficit) on provision of services	(3,398)	-	(3,398)	-	(3,398)
Other Comprehensive Expenditure and Income	-	-	-	(604)	(604)
Total Comprehensive Expenditure and Income	(3,398)	-	(3,398)	(604)	(4,002)
Adjustments between accounting basis & funding basis under regulations (note 4)	3,691	(1,035)	2,656	(2,656)	-
Net (increase) / Decrease before Transfers to Earmarked Reserves	293	(1,035)	(742)	(3,260)	(4,002)
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
(Increase) / Decrease in 2010/11	293	(1,035)	(742)	(3,260)	(4,002)
Balance at 31 March 2011 carried forward	(1,161)	(2,539)	(3,700)	(50,512)	(54,212)
<u>Movement in Reserves during 2011/12</u>					
Surplus or (deficit) on provision of services	(9,940)	-	(9,940)	-	(9,940)
Other Comprehensive Expenditure and Income	-	-	-	355	355
Total Comprehensive Expenditure and Income	(9,940)	-	(9,940)	355	(9,585)
Adjustments between accounting basis & funding basis under regulations (note 4)	9,940	(2,681)	7,259	(7,259)	-
Net (increase) / Decrease before Transfers to Earmarked Reserves	-	(2,681)	(2,681)	(6,904)	(9,585)
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
(Increase) / Decrease in Year	-	(2,681)	(2,681)	(6,904)	(9,585)
Balance at 31 March 2012 carried forward	(1,161)	(5,220)	(6,381)	(57,416)	(63,797)

TAY ROAD BRIDGE JOINT BOARD
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2010/2011 (Restated per Note 1D)			2011/2012			
Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	Budgeted Net Expenditure (unaudited) £000	Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000
						Expenditure
1,106	-	1,106				Staff Costs
68	-	68	1,116	1,078	-	1,078
289	-	289	61	42	-	42
29	-	29	301	275	-	275
137	-	137	36	38	-	38
1,442	-	1,442	151	141	-	141
23	-	23	1,453	1,453	-	1,453
-	(554)	(554)	24	22	-	22
3,094	(554)	2,540	-	-	-	-
						Cost Of Services
			3,142	3,049	-	3,049
70	(2)	68	(8)	-	(3)	(3)
						Other Operating income & Expenditure (note 5)
63	(37)	26	(83)	1	(97)	(96)
						Financing and investment income and Expenditure (note 6)
-	(6,032)	(6,032)	(13,000)	-	(12,890)	(12,890)
						Non-Specific Grant Income (note 7)
3,227	(6,625)	(3,398)	(9,948)	3,050	(12,990)	(9,940)
						(Surplus) or Deficit on Provision of Services (note 13)
-	-	-	-	-	-	-
						(Surplus) or deficit on revaluation of fixed assets
-	(604)	(604)	355	355	-	355
						Actuarial (Gains) / Losses on Pension Assets / Liabilities
-	(604)	(604)	355	355	-	355
						Other Comprehensive Income and Expenditure
3,227	(7,229)	(4,002)	(9,594)	3,405	(12,990)	(9,585)
						Total Comprehensive Income and Expenditure

TAY ROAD BRIDGE JOINT BOARD

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Board. The net assets of the Board (assets less liabilities) are matched by the reserves held by the Board. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Board may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure). The second category of reserves is unusable reserves i.e. those that the Board is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

1 April 2010	31 March 2011 (Restated per Note 1D)		Note	31 March 2012
£000	£000			£000
49,944	52,150	Property, Plant & Equipment	20	59,368
59	73	Investment Property	19	<u>85</u>
<u>50,003</u>	<u>52,223</u>	Total Long Term Assets		59,453
52	47	Inventories	22	47
196	20	Short Term Debtors	23	581
<u>3,511</u>	<u>4,076</u>	Cash and Cash Equivalents	12	<u>8,155</u>
3,759	4,143	Total Current Assets		8,783
<u>(758)</u>	<u>(406)</u>	Short Term Creditors	24	<u>(2,367)</u>
(758)	(406)	Total Current Liabilities		(2,367)
<u>(2,793)</u>	<u>(1,747)</u>	Net Pension Liabilities		<u>(2,072)</u>
(2,793)	(1,747)	Total Long Term Liabilities		(2,072)
<u>50,211</u>	<u>54,213</u>	Net Assets		<u>63,797</u>
2,958	3,700	Usable reserves	8	6,381
<u>47,253</u>	<u>50,513</u>	Unusable Reserves	9	<u>57,416</u>
50,211	54,213	Total Reserves		<u>63,797</u>



Marjory Stewart FCCA, CPFA
Treasurer
Tay Road Bridge Joint Board

The unaudited accounts were issued on 8 June 2012 and the audited accounts were authorised for issue on 28 September 2012.

TAY ROAD BRIDGE JOINT BOARD

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of grant income or from the recipients of services provided by the Board. 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 by providers of capital (i.e. borrowing) to the Board.

2010/11 (Restated per Note 1D) £000		2011/12 £000
(3,398)	Net (surplus) or deficit on the provision of services	(9,940)
(939)	Adjust net surplus or deficit on the provision of services for non cash movements	(954)
<u>4,596</u>	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	<u>11,273</u>
259	Net cash flows from Operating Activities	379
(812)	Investing Activities (note 10)	(4,445)
(12)	Financing Activities (note 11)	(13)
(565)	Net (increase) or Decrease in cash and cash equivalents	(4,079)
<u>3,511</u>	Cash and cash equivalents at the beginning of the reporting period	<u>4,076</u>
<u>4,076</u>	Cash and cash equivalents at the end of the reporting period (note 12)	<u>8,155</u>

TAY ROAD BRIDGE JOINT BOARD
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

A General Principles

The Statement of Accounts summarises the Board's transactions for the 2011/2012 financial year and its position at the year-end of 31 March 2012. The Board is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2011/12 and the Service Reporting Code of Practice 2011/12, supported by international Financial Reporting Standards (IFRS). The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

B Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Board transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Board.
- Revenue from the provision of services is recognised when the Board can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Board.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the Board's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents comprise short term lending that is repayable on demand or within 3 months of the Balance Sheet date and that is readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Board's cash management.

D Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or when the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Board's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

There has been a restatement of the prior period due to an error identified in the 2010/2011 financial statements,

whereby an amount of grant income totalling £1.91m was not accounted for in 2010/2011, this has been applied for capital purposes in creating an asset under construction. Additionally, an amount of £70,000 for the de-recognition of the carrying amount of the replaced asset was omitted (see Note 26).

E Charges to Revenue for Non-Current Assets

The Comprehensive Income and Expenditure Statement is debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off

The Board is not required to apply revenue grant receipts to fund depreciation, revaluation and impairment losses. Depreciation, revaluation and impairment losses are therefore reversed by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

F Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made against Staff Costs in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Reserve by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Account when the Board is demonstrably committed to either terminating the employment of an employee or group of employees or making an offer to encourage voluntary redundancy. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Board are members of a separate pension scheme being the Local Government Superannuation Scheme (Tayside Superannuation Fund), a defined benefits scheme which is administered by Dundee City Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Board.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Tayside Superannuation Fund attributable to the Board are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate of 4.6% (based on the indicative rate of return on high quality corporate bond, iBoxx AA rated over 15 year corporate bond Index).
- The assets of the Tayside Superannuation Fund attributable to the Board are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - utilised securities – current bid price
 - property – market value.
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to Staff Costs
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
 - expected return on assets – the annual investment return on the fund assets attributable to the Board, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
 - gains/losses on settlements and curtailments – the result of actions to relieve the Board of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not co-incided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve
 - contributions paid to the Tayside Superannuation Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Board also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

G Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events

can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for Issue are not reflected in the Statement of Accounts.

H Government Grants and Contributions

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

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

Amounts recognised as due to the Board are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant line (Non-Specific Grant Income) in the Comprehensive Income and Expenditure Statement. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

I Heritage Assets

The Board's Heritage Assets are held in support of the primary objective of increasing knowledge, understanding and appreciation of the history of the Tay Road Bridge and the surrounding area. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Board's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets are also presented below.

The Board's heritage assets are accounted for as follows:

Heritage Assets Not Recognised in the Balance Sheet

The Board holds heritage assets which, in light of the relaxation of measurement rules, are not recognised in the balance sheet. The Board considers that, due to the unique nature of the assets held and the lack of comparable values, the cost of obtaining valuations would be disproportionate in relation to the benefits to the users of the Board's financial statements. As a result, fair value information is unavailable and cost information is also unknown. These assets are therefore not recognised in the balance sheet, however, detailed information regarding them is held on relevant databases.

Heritage Assets - Impairments

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where an item has suffered physical deterioration or breakage. Any impairment is recognised and measured in accordance with the Board's general policies on impairment.

J Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories

is assigned using the First-in-First-out (FIFO) costing formula.

K Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Reserve Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Reserve Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

L Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Board as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease together with an equivalent deferred liability for the obligation to pay the lessor. Where applicable, any initial direct costs of the Board are added to the carrying amount of the asset. Any premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Property, Plant and Equipment recognised under finance leases is accounted for using the relevant accounting policies applied generally to such assets e.g. depreciation, revaluation and impairment review.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent-free period at the commencement of the lease).

The Board as Lessor

Finance Leases

Where the Board grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Board's net investment in the lease, is credited to the same line in the

Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease liability (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

Operating Leases

Where the Board grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet as a non-current asset and continues to be subject to depreciation, revaluation and impairment review, in accordance with the relevant accounting policies. Rental income is credited to the appropriate service line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Any initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

M Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for 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, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. 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

The Board does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Board. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Board. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Reserve Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure – depreciated historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV)

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value. Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service. Where decreases in value are identified, the revaluation loss is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts received for disposals are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Board's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Reserve in the Movement in Reserves Statement. Amounts are appropriated to the Capital Adjustment Account from the General Reserve in the Movement in Reserves Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their

depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant and equipment – straight line allocation over between 3 and 10 years.
- infrastructure – straight-line allocation over between 10 and 85 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

N Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For example, the Board may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the appropriate line in the Comprehensive Income and Expenditure Statement in the year that the Board becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant heading. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Board settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Board a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Board. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Board a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Board. Contingent assets are not recognised in the Balance Sheet but are disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

O Reserves

Reserves are created by appropriating amounts out of the General Reserve in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate heading in that year to count against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against grant receipts for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and these reserves do not represent usable resources for the Board. Further information on the Board's reserves is contained in notes 8 and 9.

P VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Board has had to make certain judgements about future events. The key judgement made in the Statement of Accounts relates to the high degree of uncertainty about future levels of funding for public bodies. The Board has determined that this uncertainty is not sufficient to provide an indication that the assets of the Board might be impaired as a result of a need to reduce levels of service provision.

3. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains 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 2012 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £86,000 for every year that useful lives had to be reduced.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Board with expert advice about the assumptions to be applied.	<p>The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £157,000.</p> <p>However, the assumptions interact in complex ways. During 2011/12, the Board's actuaries advised that the net pensions liability had increased by £529,000 as a result of estimates being corrected as a result of experience and increased by £885,000 attributable to updating of the assumptions.</p>

This list does not include any assets and liabilities that have are carried at fair value based on a recently observed market price.

4. MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Board in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Board to meet future capital and revenue expenditure.

2011/2012	General Fund Balance £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000	2011/12 £000
Adjustments involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non current assets	(1,453)	-	1,453	-
Movements in the fair value of investment Properties	12	-	(12)	-
Capital grants and contributions that have been applied to capital financing	8,668	-	(8,668)	-
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	6	-	(6)	-
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	3	3
Use of the Capital Receipts Reserve to finance new capital expenditure	(3)	-	-	(3)
Adjustment involving the Capital Grants Unapplied Account				
Reversal of unapplied capital grants and contributions credited to the Comprehensive Income and Expenditure Statement	2,681	(2,681)	-	-
Adjustments involving the Pensions Reserve:				
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(116)	-	116	-
Employer's pensions contributions and direct payments to pensioners payable in the year	147	-	(147)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)	-	2	-
Total Adjustments	9,940	(2,681)	(7,259)	-

2010/2011 (Restated)

	General Fund Balance £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000	2010/11 £000
Adjustments involving the Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non current assets	(1,442)	-	1,442	-
Movements in the fair value of Investment Properties	15	-	(15)	-
Capital grants and contributions that have been applied to capital financing	3,715	-	(3,715)	-
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(66)	-	66	-
Adjustments involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	2	2
Use of the Capital Receipts Reserve to finance new capital expenditure	(2)	-	-	(2)
Adjustment involving the Capital Grants Unapplied Account				
Reversal of unapplied capital grants and contributions credited to the Comprehensive Income and Expenditure Statement	1,035	(1,035)	-	-
Adjustments involving the Pensions Reserve:				
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	298	-	(298)	-
Employer's pensions contributions and direct payments to pensioners payable in the year	144	-	(144)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(6)	-	6	-
Total Adjustments	3,691	(1,035)	(2,656)	-

5. **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - OTHER OPERATING EXPENDITURE**

2010/11 (Restated) £000		2011/12 £000
-	Fees and Charges	-
(68)	(Gains) / Losses on the disposal of non current assets	(3)
(68)	Total	(3)

6. **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

2010/11 £000		2011/12 £000
-	Interest payable and similar charges	-
63	Pensions interest cost and expected return on pensions assets	(49)
(13)	Interest receivable and similar income	(26)
(15)	Changes in the fair value of investment properties	(12)
(9)	Income & Expenditure on investment properties	(9)
26	Total	(96)

7. **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME**

2010/11 (Restated) £000		2011/12 £000
(1,282)	Non-ring fenced government grants	(1,540)
(4,750)	Capital grants and contributions	(11,350)
(6,032)	Total	(12,890)

8. **BALANCE SHEET - USABLE RESERVES**

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and note 4.

9. **BALANCE SHEET - UNUSABLE RESERVES**

31 March 2011 (Restated) £000		31 March 2012 £000
711	Revaluation Reserve	711
51,559	Capital Adjustment Account	58,789
(1,747)	Pensions Reserve	(2,072)
(10)	Accumulating Compensated Absences Adjustment Account	(12)
50,513	Total Unusable Reserves	57,416

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Board arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2010/11 £000		2011/12 £000
711	Balance at 1 April	711
-	Upward revaluation of assets	-
-	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-
-	Surplus or deficit on revaluation of non-current assets posted to the Comprehensive Income and Expenditure Statement	-
-	Difference between fair value depreciation and historical cost depreciation	-
-	Accumulated gains on assets sold or scrapped	-
-	Amount written off to the Capital Adjustment Account	-
711	Balance at 31 March	711

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on investment Properties that have yet to be consumed by the Board. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 4 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2010/11 (Restated) £000		2011/12 £000
49,339	Balance at 1 April	51,559
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(1,442)	• Charges for depreciation and impairment of non current assets	(1,453)
-	• Revaluation losses on Property, Plant and Equipment	-
(70)	• Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-
-	• Adjusting amounts written out of the Revaluation Reserve	-
(1,512)	Net written out amount of the cost of non current assets consumed in the year	(1,453)
	Capital financing applied in the year:	
2	• Use of the Capital Receipts Reserve to finance new capital expenditure	3
3,715	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,668
-	• Capital expenditure charged against the General Fund	-
3,717	Total Capital Financing Applied during the year	8,671
15	Movements in the market value of investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	12
51,559	Balance at 31 March	58,789

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Board accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Board makes employer's contributions to pensions funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Board has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2010/11 £000		2011/12 £000
(2,793)	Balance at 1 April	(1,747)
604	Actuarial gains or (losses) on pensions assets and liabilities	(355)
298	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(116)
144	Employer's pensions contributions and direct payments to pensioners payable in the year	147
(1,747)	Balance at 31 March	(2,072)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

2010/11 £000		2011/12 £000	
(4)	Balance at 1 April	(10)	
4	Settlement or cancellation of accrual made at the end of the preceding year	10	-
(10)	Amounts accrued at the end of the current year	(12)	-
(6)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		(2)
(10)	Balance at 31 March	(12)	

10. CASH FLOW STATEMENT - INVESTING ACTIVITIES

2010/11 (Restated) £000		2011/12 £000
3,940	Purchase of property, plant and equipment, investment property and intangible assets	6,908
-	Purchase of short-term and long-term investments	-
-	Other payments for investing activities	-
(2)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(3)
-	Proceeds from short-term and long-term investments	-
(4,750)	Other receipts from investing activities	(11,350)
(812)	Net cash flows from investing activities	(4,445)

11. CASH FLOW STATEMENT - FINANCING ACTIVITIES

2010/11 £000		2011/12 £000
-	Cash receipts of short and long-term borrowing	-
(12)	Other receipts from financing activities	(13)
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	-
-	Repayments of short and long-term borrowing	-
-	Other payments for financing activities	-
(12)	Net cash flows from financing activities	(13)

12. CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

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

31 March 2011 £000		31 March 2012 £000
-	Cash held by the Board	-
4,076	Bank current account	8,155
4,076	Total cash and cash equivalents	8,155

13. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

Decisions about resource allocation are taken by the Board on the basis of budget reports analysed across operational divisions. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation and impairment losses) are charged to services in the Comprehensive Income and Expenditure Statement)
- the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year

The income and expenditure of the Board's operational divisions recorded in the budget reports for the year is as follows:

Divisional Income and Expenditure 2011/2012	Admin £000	Operations £000	Plant & Equipment £000	Bridge Maintenance £000	Income £000	Total £000
Fees, charges & other service income	-	-	-	-	-	-
Interest and investment income	-	-	-	-	(36)	(36)
Government grants	-	-	-	-	(1,540)	(1,540)
Total Income	-	-	-	-	(1,576)	(1,576)
Employee expenses	180	481	-	397	-	1,058
Other service expenses	240	5	169	104	-	518
Total Expenditure	420	486	169	501	-	1,576
Net Expenditure	420	486	169	501	(1,576)	-

Divisional Income and Expenditure 2010/2011	Admin £000	Operations £000	Plant & Equipment £000	Bridge Maintenance £000	Income £000	Total £000
Fees, charges & other service income	-	-	-	-	-	-
Interest and investment income	-	-	-	-	(23)	(23)
Government grants	-	-	-	-	(1,282)	(1,282)
Total Income	-	-	-	-	(1,305)	(1,305)
Employee expenses	177	468	-	406	-	1,051
Other service expenses	261	4	182	99	-	546
Total Expenditure	438	472	182	505	-	1,597
Net Expenditure	438	472	182	505	(1,305)	292

Reconciliation of Divisional Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of divisional income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2010/11 £000	2011/12 £000
Net expenditure in the Divisional Analysis	292	-
Net expenditure of services not included in the Analysis	-	-
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Analysis	2,392	3,196
Amounts included in the Analysis not included in the Comprehensive Income and Expenditure Statement	(144)	(147)
Cost of Services in Comprehensive Income and Expenditure Statement	2,540	3,049

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of divisional income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

	Operational Divisions £000	Amounts not reported to mgmt £000	Amounts not included in CIES £000	Cost of Services £000	Corporate Amounts £000	Total £000
2011/2012						
Fees, charges & other service income	-	-	-	-	-	-
Interest and Investment income	(36)	-	-	(36)	(63)	(99)
Government grants and contributions	(1,540)	-	-	(1,540)	(11,350)	(12,890)
Total Income	(1,576)	-	-	(1,576)	(11,413)	(12,989)
Employee expenses	1,058	167	(147)	1,078	-	1,078
Other service expenses	518	-	-	518	-	518
Depreciation, amortisation and impairment	-	1,453	-	1,453	-	1,453
Interest Payments	-	-	-	-	-	-
Gain or Loss on Disposal of Non-Current Assets	-	-	-	-	-	-
Total expenditure	1,576	1,620	(147)	3,049	-	3,049
Surplus or deficit on the provision of services	-	1,620	(147)	1,473	(11,413)	(9,940)
	Operational Divisions £000	Amounts not reported to mgmt £000	Amounts not included in CIES £000	Cost of Services £000	Corporate Amounts £000	Total £000
2010/2011 (Restated)						
Fees, charges & other service income	-	-	-	-	-	-
Interest and Investment income	(23)	-	-	(23)	47	24
Government grants and contributions	(1,282)	-	-	(1,282)	(4,750)	(6,032)
Total Income	(1,305)	-	-	(1,305)	(4,703)	(6,008)
Employee expenses	1,051	199	(144)	1,106	-	1,106
Other service expenses	546	(554)	-	(8)	-	(8)
Depreciation, amortisation and impairment	-	1,442	-	1,442	-	1,442
Interest Payments	-	-	-	-	-	-
Gain or Loss on Disposal of Non-Current Assets	-	70	-	70	-	70
Total expenditure	1,597	1,157	(144)	2,610	-	2,610
Surplus or deficit on the provision of services	292	1,157	(144)	1,305	(4,703)	(3,398)

14. EXTERNAL AUDIT COSTS

The Board has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to other non-audit services provided by the Board's external auditors:

	2010/11 £000	2011/12 £000
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	13	12
Fees payable in respect of other services provided by the appointed auditor during the year	-	-
Total	13	12

15. DEFINED BENEFIT PENSION SCHEMES

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Board makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Board has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Board participates in two post employment schemes:

- The Local Government Pension Scheme (Tayside Superannuation Fund), which is administered locally by Dundee City Council and is a funded defined benefit final salary scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post retirement benefits upon early retirement – this is an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

Transactions relating to post employment benefits

The Board recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge the Board is required to make against the cost of service is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Reserve via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Reserve Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme £000	
	2010/2011	2011/2012
Comprehensive Income and Expenditure Statement:		
<i>Cost of Services:</i>		
• current service cost	193	165
• past service costs	(554)	-
<i>Financing and Investment Income and Expenditure</i>		
• interest cost	423	357
• expected return on scheme assets	(360)	(406)

Local Government Pension Scheme £000		
	2010/2011	2011/2012
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	(298)	116
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
• actuarial (gains) and losses	(604)	355
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(902)	471
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	298	(116)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	144	147
• retirement benefits payable to pensioners	-	-

Assets and liabilities in relation to post employment benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

Funded liabilities: Local Government Pension Scheme £000		
	2010/2011	2011/2012
Opening balance at 1 April	7,746	6,946
Current service cost	193	165
Interest cost	423	357
Contributions by scheme participants	47	46
Settlements and curtailments	-	-
Actuarial gains and losses	(571)	359
Benefits paid	(338)	(240)
Past service costs	(554)	-
Closing balance at 31 March	6,946	7,633

Reconciliation of fair value of the scheme assets:

Local Government Pension Scheme £000		
	2010/2011	2011/2012
Opening balance at 1 April	4,953	5,199
Expected rate of return	360	406
Actuarial gains and (losses)	30	3
Settlements	-	-
Employer contributions	147	147
Contributions by scheme participants	47	46
Benefits paid	(338)	(240)
Closing balance at 31 March	5,199	5,561

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £23,000 (2010/11: £389,000).

Scheme history:

	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000
Present value of liabilities	(5,540)	(5,191)	(7,746)	(6,946)	(7,633)
Fair value of assets in the Local Government Pension Scheme	4,219	3,750	4,953	5,199	5,561
Surplus/(deficit) in the scheme	(1,321)	(1,441)	(2,793)	(1,747)	(2,072)

The liabilities show the underlying commitments that the Board has in the long run to pay post employment (retirement) benefits. The total liability of £2.072m is reflected in the Board's Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Board remains healthy. The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e., before payments fall due), as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the Board in the year to 31 March 2013 is £135,000.

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Tayside Superannuation Fund has been assessed by Barnett Waddingham, an independent firm of actuaries, being based on the latest full valuation of the scheme as at 31 March 2011.

The principal assumptions used by the actuary have been:

	Local Government Pension Scheme	
	2010/11	2011/12
Long-term expected rate of return on assets in the scheme:		
Equity investments	8.2%	7.1%
Gilts	4.4%	3.3%
Bonds	5.5%	4.6%
Property	5.4%	4.3%
Cash	3.0%	3.0%
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	21.4	20.6
Women	24.4	22.8
Longevity at 65 for future pensioners (years):		
Men	22.3	21.8
Women	25.3	24.4
Rate of inflation (RPI)	3.5%	3.3%
Rate of inflation (CPI)	2.7%	2.5%
Rate of increase in salaries	5.0%	4.8%
Rate of increase in pensions	2.7%	2.5%
Rate for discounting scheme liabilities	5.5%	4.6%
Take-up of option to convert annual pension into retirement lump sum	50%	50%

The Tayside Superannuation Fund's assets consist of the following categories, by proportion of the total assets held:

	31 March 2011	31 March 2012
	%	%
Equity investments	72	68
Gilts	7	8
Other Bonds	10	11
Property	9	11
Cash	2	2
Total	100	100

History of experience gains and losses

The actuarial gains identified as movements on the Pensions Reserve in 2011/12 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2012:

	2007/08 %	2008/09 %	2009/10 %	2010/11 %	2011/12 %
Differences between the expected and actual return on assets	(12.2)	(19.7)	21.2	0.6	0.1
Experience gains and losses on liabilities	0.0	(1.1)	0.2	0.0	6.9

16. EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2012 and 28 September 2012 that would have an impact on the 2011/2012 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer.

17. RELATED PARTIES

The Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board.

Central Government

Central government has effective control over the general operations of the Board. It is responsible for providing the statutory framework within which the Board operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Board has with other parties. Grants received from government departments are set out in the subjective analysis in note 13 on amounts reported to decision makers. There are no grant receipts outstanding at 31 March 2012 (see note 25).

Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. During 2011/2012, the Board entered into a number of transactions with Dundee City and Fife Councils, as detailed below:

2010/2011			2011/2012	
Income £000	Expenditure £000		Income £000	Expenditure £000
(13)	-	Dundee City Council:	(26)	-
-	59	Interest Receivable	-	58
-	-	Central Support Services	-	30
-	2	Miscellaneous	-	-
<u>(13)</u>	<u>61</u>	Grounds Maintenance	<u>(26)</u>	<u>88</u>
		Total		
		Fife Council:		
-	10	Grounds Maintenance	-	-
<u>-</u>	<u>10</u>	Total	<u>-</u>	<u>-</u>

The following balances existed between the Board and Dundee City and Fife Councils as at 31 March 2012:

2010/2011			2011/2012	
Asset £000	Liability £000		Asset £000	Liability £000
-	17	Dundee City Council:		
(13)	-	Central Support Services	-	36
-	24	Interest Receivable	(26)	-
<u>(13)</u>	<u>41</u>	Miscellaneous	<u>(546)</u>	<u>13</u>
		Total	(572)	49
		Fife Council:		
-	-	Grounds Maintenance	-	-
<u>-</u>	<u>-</u>	Total	<u>-</u>	<u>-</u>

18. LEASES

The Board as Lessee

The Board held no assets on finance or operating lease during 2011/2012 and, accordingly, there were no lease rentals paid to lessors during the year (2010/2011 None) or commitments due to lessors in 2011/2012 (2010/2011 None).

The Board as Lessor

The Board had entered a three year agreement for the lease of land and property to a third party which ended in 2011. This arrangement has continued on a monthly basis as permitted in the lease agreement. This agreement is accounted for as an operating lease. In 2011/2012 the Board received rent of £10,213 from this agreement (2010/2011 £10,213). The present value of minimum lease payments receivable as at the Balance Sheet date are as follows:

- a) Not later than 1 year = £10,213
- b) later than 1 year and not later than 5 years = £Nil
- c) later than 5 years = £Nil.

19. INVESTMENT PROPERTIES

The following items of income and expense have been accounted for in the Comprehensive Income and Expenditure Statement:

	2010/11 £000	2011/12 £000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	(1)	(1)
Net gain/(loss)	<u>9</u>	<u>9</u>

There are no restrictions on the Board's ability to realise the value inherent in its investment property or on the Board's right to the remittance of income and the proceeds of disposal.

The following table summarises the movement in the fair value of investment properties over the year:

	2010/11 £000	2011/12 £000
Balance at start of the year	58	73
Additions:		
Purchases	-	-
Subsequent expenditure	-	-
Disposals	-	-
Net gains/(losses) from fair value adjustments	15	12
Transfers:		
to/from Inventories	-	-
to/from Property, Plant and Equipment	-	-
Balance at end of the year	73	85

20. PROPERTY, PLANT AND EQUIPMENT

Movements on Balances

Movements in 2011/12:

	Other Land and Buildings	Vehicles, Plant & Equip	Infrastructure Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 April 2011	1,244	739	56,239	1,910	60,132
Additions	-	14	6,107	-	6,121
Additions - Ramp Work	-	-	-	2,550	2,550
Derecognition -- Disposals	-	-	-	-	-
Derecognition - Other	-	-	(80)	-	(80)
Other movements in Cost or Valuation	-	-	3,991	(3,991)	-
At 31 March 2012	1,244	753	66,257	469	68,723
Accumulated Depreciation and Impairment					
At 1 April 2011	14	248	7,721	-	7,983
Depreciation charge	14	50	1,308	-	1,372
Derecognition - Disposals	-	-	-	-	-
At 31 March 2012	28	298	9,029	-	9,355
Net Book Value					
At 31 March 2012	1,216	455	57,228	469	59,368
At 31 March 2011	1,230	492	48,518	1,910	52,150

Comparative Movements in 2010/11 (Restated):

	Other Land and Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 April 2010	1,244	618	54,849	-	56,711
Additions	-	157	1,650	-	1,807
Additions - Ramp Work	-	-	-	1,910	1,910
Derecognition – Disposals	-	(36)	(150)	-	(186)
Derecognition – Other	-	-	(110)	-	(110)
Other movements in Cost or Valuation	-	-	-	-	-
At 31 March 2011	1,244	739	56,239	1,910	60,132
Accumulated Depreciation and Impairment					
At 1 April 2010	-	241	6,525	-	6,766
Depreciation charge	14	43	1,276	-	1,333
Derecognition – Disposals	-	(36)	(80)	-	(116)
At 31 March 2011	14	248	7,721	-	7,983
Net Book Value					
At 31 March 2011	1,230	492	48,518	1,910	52,150
At 31 March 2010	1,244	376	48,324	-	49,944

Capital Commitments

At 31 March 2012, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2012/13 and future years, budgeted to cost £12,059,000. (Similar commitments at 31 March 2011 were £464,000). The major commitment is for:

- Pier Collision Protection Works - £12,008,000

Revaluations

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out by Mr Douglas Davidson BSc MRICS, from Dundee City Council's City Development Department. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

21. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

	2010/11 £000	2011/12 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	1,807	6,122
Investment Properties	-	-
Total Capital Investment	1,807	6,122
<i>Sources of finance:</i>		
Capital receipts	2	3
Government grants and other contributions	1,805	6,119
Capital Financed from Revenue	-	-
Total Sources of Finance	1,807	6,122

22. INVENTORIES

	Consumable Stores		Maintenance Materials		Client Services Work In Progress		Property Acquired or Constructed for Sale		Total	
	10/11 £000	11/12 £000	10/11 £000	11/12 £000	10/11 £000	11/12 £000	10/11 £000	11/12 £000	10/11 £000	11/12 £000
Balance outstanding at start of year	-	-	52	47	-	-	-	-	52	47
Purchases	-	-	-	-	-	-	-	-	-	-
Recognised as an expense in the year	-	-	(2)	(1)	-	-	-	-	(2)	(1)
Written off balances	-	-	-	-	-	-	-	-	-	-
Reversals of write-offs in previous years	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	(3)	1	-	-	-	-	(3)	1
Balance outstanding at year-end	-	-	47	47	-	-	-	-	47	47

23. SHORT-TERM DEBTORS

	31 March 2011 £000	31 March 2012 £000
Central government bodies	-	-
Local authorities	12	572
NHS bodies	-	-
Public corporations and trading funds	-	-
Other entities and individuals	8	9
Total	20	581

24. SHORT-TERM CREDITORS

	31 March 2011 £000	31 March 2012 £000
Central government bodies	-	161
Local authorities	41	127
NHS bodies	-	-
Public corporations and trading funds	9	-
Other entities and individuals	356	2,079
Total	406	2,367

25. GRANT INCOME

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2011/12:

	2010/11 (Restated) £000	2011/12 £000
Credited to Taxation and Non Specific Grant Income		
Scottish Government Revenue Grant	1,282	1,540
Scottish Government Capital Grant	2,840	8,800
Dundee City Council Capital Grant	1,910	2,550
Total	6,032	12,890

The Board has £160,000 of Revenue grants, contributions and donations that have yet to be recognised as income due to them having conditions attached to them that requires the monies or property to be returned to the grant provider (2010/2011 None).

26. PRIOR PERIOD ADJUSTMENT

Restatement required at the beginning of the earliest prior period presented

There was no change to net assets or the brought forward reserves' balances as at 1 April 2010.

Reconciliation of adjustment to Balance Sheet at 31 March 2011

	Original Balance Sheet as at 31 March 2011 £000	Adjustment 1: Recognising Asset Under Construction at 31 March 2011 £000	Adjustment 2: Derecognising Net Book Value of Replaced Asset at 31 March 2011 £000	Restated Balance Sheet as at 31 March 2011 £000
Property, Plant & Equipment	50,310	1,910	(70)	52,150
Total Long Term Assets	50,383	1,910	(70)	52,223
Net Assets	52,373	1,910	(70)	54,213
Unusable Reserves (Capital Adjustment Account)	48,673	1,910	(70)	50,513
Total Reserves	52,373	1,910	(70)	54,213

Adjustment 1: Recognising the Asset Under Construction at 31 March 2011:

The board is required to recognise all assets under construction at the balance sheet date and all corresponding grant income when it is received. The contract to complete the western off-ramp was in progress at 31 March 2011 and as such the portion of the contract that was complete at that date (£1.91m) is required to be recognised as an asset under construction within property, plant and equipment. The matching grant for this expenditure is also required to be recognised.

Adjustment 2: Derecognising Net Book Value of Replaced Asset:

The board is required to derecognise the net book value of any assets that have been replaced in order to avoid double-counting. The original western off-ramp had been demolished at 31 March 2011, therefore the carrying amount has to be derecognised at that date. In the absence of accurate data for the carrying value of the ramp, the total cost of the new asset was used as a proxy figure and an indexation calculation was applied to calculate the original cost of the ramp and the associated accumulated depreciation in order to establish the carrying amount to be derecognised.

	Amount as at 31 March 2011 £000
Estimated original cost	150
Estimated accumulated depreciation	(80)
Estimated Net Book Value	70

Reconciliation of adjustment to Comprehensive Income and Expenditure Statement 2010/2011:

	Original 2010/2011 CIES: Net Expenditure / Income £000	Adjustment 1: Recognising Asset Under Construction at 31 March 2011 £000	Adjustment 2: Derecognising Net Book Value of Replaced Asset at 31 March 2011 £000	Restated 2010/2011 CIES: Net Expenditure / Income £000
Other Operating Income & Expenditure	(2)	-	70	68
Non-Specific Grant Income	(4,122)	(1,910)	-	(6,032)
(Surplus) or Deficit on Provision of Services	(1,558)	(1,910)	70	(3,398)
Total Comprehensive Income and Expenditure	(2,162)	(1,910)	70	(4,002)

Reconciliation of Adjustment to Movement in Reserves Statement 2010/2011:

	Original 2010/2011 MRS: General Fund Balance £000	Adjustment 1: Recognising Asset Under Construction at 31 March 2011 £000	Adjustment 2: Derecognising Net Book Value of Replaced Asset at 31 March 2011 £000	Restated 2010/2011 MRS: General Fund Balance £000
Adjustments between accounting basis & funding basis under regulations	1,851	1,910	(70)	3,691

	Original 2010/2011 MRS: Unusable Reserves £000	Adjustment 1: Recognising Asset Under Construction at 31 March 2011 £000	Adjustment 2: Derecognising Net Book Value of Replaced Asset at 31 March 2011 £000	Restated 2010/2011 MRS: Unusable Reserves £000
Adjustments between accounting basis & funding basis under regulations	(816)	(1,910)	70	(2,656)

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of the Tay Road Bridge Joint Board and the Accounts Commission for Scotland

We have audited the financial statements of the Tay Road Bridge Joint Board for the year ended 31 March 2012 on pages 15 to 48. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2011-12 (the 2011-12 Code).

This report is made solely to the members of the Tay Road Bridge Joint Board and the Accounts Commission for Scotland, in accordance with Part VII of the Local Government (Scotland) Act 1973. Our audit work has been undertaken so that we might state to those two parties those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Tay Road Bridge Joint Board and the Accounts Commission for Scotland, for this report, or the opinions we have formed.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities on page 14, the Treasurer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the statement of accounts to identify material misstatements or inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the body as at 31 March 2012 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2011-12
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government Scotland Act 2003.

Opinion on other matters prescribed by the Local Government (Scotland) Act 1973

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Local Authority Accounts (Scotland) Regulations 1985; and
- the information given in the Treasurer's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of the Tay Road Bridge Joint Board and the Accounts Commission for Scotland (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Local Government (Scotland) Act 1973 requires us to report to you if, in our opinion:

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



S Reid

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2EG

28 September 2012



cutting through complexity™

ITEM NO. 8(6)

Tay Road Bridge Joint Board

Annual audit report to the members of Tay Road Bridge Joint Board
and the Controller of Audit

Audit: Year ended 31 March 2012
28 September 2012



Contents

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in connection with this
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	Page
Executive summary	2
Accounting policies	3
Use of resources	5
Governance	6
Appendices:	
1 Independence confirmation	10
2 Responsibilities of the Joint Board	11

About this report

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's Code of Audit Practice ("the Code"). This report is for the benefit of Tay Road Bridge Joint Board ("the Joint Board") and is made available to Audit Scotland and the Accounts Commission for Scotland (together "the beneficiaries"). It has been released to the beneficiaries on the basis that wider disclosure is permitted for information purposes, but that we have not taken account of the wider requirements or circumstances of anyone other than the beneficiaries.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the scope and objectives section of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the beneficiaries) for any purpose or in any context. Any party other than the beneficiaries that obtains access to this report or a copy and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the beneficiaries.

We also draw your attention to the following:

- The Treasurer of Tay Road Bridge Joint Board is responsible for preparing financial statements that show a true and fair view and for implementing appropriate internal control systems;
- weaknesses or risks identified by us are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist; and
- communication by us of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve Tay Road Bridge Joint Board management from its responsibility to address the issues raised and to maintain an adequate system of control.



Executive summary Headlines

<p>Our audit works undertaken in accordance with Audit Scotland's Code of Audit Practice. This specifies a number of objectives for our audit.</p> <p>We set out in our audit strategy document our approach to the audit of the Joint Board for 2011-12.</p> <p>In accordance with ISA (UK and Ireland) 260: <i>Communication with those charged with governance</i>, this report summarises our work in relation to the financial statements.</p> <p>We wish to record our appreciation of the co-operation and assistance extended to us by staff during the course of our work.</p>	
<p>Financial statements</p> <p>The Code of Practice on Local Authority Accounting in the United Kingdom 2011-12 ("the Code") did not include any major amendments which impacted on the preparation of the financial statements of Tay Road Bridge Joint Board ("the Joint Board").</p> <p>All accounting policies have been applied consistently.</p> <p>We have issued an unqualified opinion on the financial statements for 2011-12.</p> <p>Management agreed that there was an error in the 2010-11 financial statements; a prior year adjustment has been processed in the 2011-12 financial statements to correct the error.</p>	<p>Pages 3-4</p>
<p>Use of resources</p> <p>The net cost of services for 2011-12 represented a £93,000 underspend against budget, primarily arising from a saving in staff costs, property costs and supplies and services costs during the year. As the Joint Board is funded to meet expenditure incurred, non-specific grant income recognised in year was reduced in line with the underspend incurred. The general fund balance was unchanged at £1.16 million.</p> <p>The Joint Board's net assets have increased by £9.6 million. This is primarily as a result of the £8.6 million investment in infrastructure assets during the year.</p>	<p>Page 5</p>
<p>Governance</p> <p>Over-arching and supporting corporate governance arrangements provide a sound framework for organisational decision-making. A local code of corporate governance has been approved. A self-assessment of the effectiveness of corporate governance arrangements was undertaken during 2011-12, and identified a high level of compliance.</p> <p>Internal audit reported that the Joint Board had adequate and effective internal control systems. Appropriate arrangements are established in respect of standards of conduct and prevention and detection of fraud and irregularity.</p> <p>The Joint Board monitors its performance against key performance indicators, and reports this performance within its financial statements.</p>	<p>Page 6-8</p>
<p>Mandatory communications</p> <p>We are required by ethical standards to formally confirm our independence you.</p> <p>We draw your attention to the responsibilities of the Joint Board under Audit Scotland's Code of Audit Practice.</p>	<p>Appendices one and two</p>

Financial statements Accounting policies; audit opinion

<p>The Code of Practice on Local Authority Accounting in the United Kingdom 2011-12 did not include any major amendments which impacted on the preparation of the Joint Board's financial statements.</p> <p>All accounting policies have been applied consistently.</p> <p>Management agreed that there was an error in the 2010-11 financial statements; a prior year adjustment has been processed in the 2011-12 financial statements to correct the error.</p>	<p>Code of practice on Local Authority Accounting in the United Kingdom 2011-12 ("the Code")</p> <p>The 2011-12 Code has a number of amendments from the 2010-11 version and management considered the reporting requirements for the financial statements. The amendments included:</p> <ul style="list-style-type: none"> ■ applicability of FRS 30 <i>Heritage Assets</i> (as above); ■ additional guidance in respect of leases; ■ additional disclosure requirements in respect of exit packages; and ■ a requirement for a specific statement in the annual governance statement / statement on the system of internal financial control on whether financial management arrangements conform with the governance requirements of the statement on "the role of the chief financial officer in local government." <p>The Joint Board has referred appropriately to the role of the chief financial officer within its annual governance statement. None of the other matters above had any impact on the Joint Board in the year.</p>
	<p>Accounting policies / restatement of comparatives</p> <p>There have been no changes to the accounting policies in 2011-12, and these remain appropriate for the activities and transactions of the Joint Board.</p> <p>As part of our audit enquiries in 2011-12, Council management advised that the new slip road / ramp construction was being grant funded by the Council. We enquired as to whether the Council was accounting for an asset under construction within its financial statements – which would be donated to the Joint Board on completion – or whether the transaction was being treated as expenditure of the Council and grant income to the Joint Board. Management of the Council confirmed that the treatment adopted was to provide grant income to the Joint Board, since no asset under construction was being recorded within the Council's financial statements.</p> <p>In 2011-12, the Board accounted for the receipt of £3.99 million of grant income from the Council in respect of the Joint Board's share of the costs associated with the new slip road / ramp construction. Our analysis of the associated expenditure identified that £1.9 million was incurred by the Council during 2010-11 and expensed through the comprehensive income and expenditure statement. Management has concluded that it would have been correct to record the receipt of the £1.9 million of grant income towards the asset under construction within the Joint Board's 2010-11 financial statements.</p> <p>Through restatement of the comparative information, a prior year adjustment has been processed in the financial statements for the year ended 31 March 2012, to recognise the inclusion of the additional grant income, and associated asset under construction, in 2010-11</p>



Financial statements Preparation of financial statements

We have issued an unqualified opinion on the financial statements for 2011-12.

Good quality financial statements were prepared for audit.

There are no unadjusted audit differences to report.

Audit opinion	Preparation of financial statements
<p>The Local Government (Scotland) Act 1973 requires us to provide an opinion on the Joint Board's financial statements on completion of our audit. Our opinion, which is unqualified, states that the financial statements:</p> <ul style="list-style-type: none">■ give a true and fair view of the state of the affairs of the Joint Board as at 31 March 2012 and of its expenditure and income for the year then ended;■ have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2011-12; and■ have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government Scotland Act 2003.	<p>The unaudited financial statements were authorised for issue by the Treasurer of the Joint Board on 8 June 2012, and passed to us for audit on 25 June 2012 along with a completed disclosure checklist. This was in advance of statutory requirements and the agreed audit timetable.</p> <p>Good quality supporting documentation was made available in electronic format to support the unaudited financial statements.</p> <p>Aside from the prior year adjustment discussed above, there were no material adjustments required to the financial statements.</p> <p>We are required under International Standard on Auditing 260 'Communication with those charged with governance' to report any unadjusted errors identified during the course of our audit. There are no unadjusted audit differences to report.</p>

Use of resources Financial position

The net cost of services for 2011-12 represented a £93,000 underspend against budget, primarily arising from a saving in staff costs, property costs and supplies and services costs during the year.

As the Joint Board is funded to meet expenditure incurred, non-specific grant income recognised in year was reduced in line with the underspend incurred. The general fund balance was unchanged at £1.16 million. The Joint Board's net assets have increased by £9.6 million. This is primarily as a result of the £8.6 million investment in infrastructure assets during the year.

Financial position
For the year ended 31 March 2012 the Joint Board reported a net cost of services of £3 million. This outturn represented a £93,000 underspend on the budget approved for 2011-12 by the Joint Board. Funding is received principally through the Scottish Government for revenue and capital purposes. Due to the ongoing Dundee Waterfront redevelopment project, capital funding is also receivable from Dundee City Council.

Total grant income of £12.9 million was received, and applied to meet revenue expenditure of £1.54 million, £8.6 million investment in infrastructure assets, with the balance held in the capital grants unapplied account.

Unapplied non-specific revenue grant income received of £161,000 is held in creditors, as the Joint Board does not have the ability to increase its reserves through recognition of this income in advance of incurring the expenditure.

Comprehensive income and expenditure statement	
	£000
Net cost of service	3,049
Other operating income	(3)
Finance and investment income and expenditure	(96)
Non-specific grant income (being £1.54 million non-ring fenced government grants, and £11.35 million capital grants and contributions)	(12,890)
(Surplus) on provision of services	(9,940)
Other comprehensive income and expenditure (being actuarial losses on pension scheme)	355
Total comprehensive (income) and expenditure	(9,585)

After adjustments to reflect the different accounting basis and funding basis, the outturn for the year was £nil resulting in no change to the general fund balance.

Reserves
The Joint Board holds an unchanged general fund balance at the year end of £1.16 million. The Joint Board had previously identified £800,000 as a prudent level of reserves to be held. The current excess in funds over this level is due to the results of efficiency measures to reduce overall running costs. This is within the limits set out within The Tay Road Bridge Conformation Act 1991, Part V 39(3).

The Joint Board has total net assets as at 31 March 2012 of £63.8 million (2010-11: £54.2 million), represented primarily by property, plant and equipment of £59.4 million. The increase in net assets represents the investment in the infrastructure assets during 2011-12.



Governance Corporate governance framework and supporting arrangements

Over-arching and supporting corporate governance arrangements provide a sound framework for organisational decision-making.

A local code of corporate governance has been approved by the Joint Board. Internal audit conducted a review of arrangements, making

A self-assessment of effectiveness of corporate governance arrangements was undertaken during 2011-12 and identified a high level of compliance.

Corporate governance and internal control arrangements

Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviour. The three fundamental principles of corporate governance – openness, integrity and accountability – apply to all bodies.

The responsibilities of the Joint Board and its Treasurer for establishing arrangements for ensuring the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements are outlined in the Statement of Responsibilities in the financial statements.

The Joint Board has approved a local code of corporate governance, drawing on all aspects of its governance arrangements, to consolidate these into a framework which is in line with the principles of the CIPFA / SOLACE publication 'Delivering Good Governance in Local Government'. Internal audit undertook a review of the Joint Board's corporate governance arrangements as part of their 2011-12 programme of work, and concluded that the arrangements in place were good. Some areas for continuous improvement were identified as a result of this work, and these are disclosed in the annual governance statement.

The revenue and capital budgets for the year are approved by the Joint Board, who also receive regular monitoring reports to allow them to exercise and demonstrate stewardship and accountability for the use of their resources.

The Joint Board has prepared an annual governance compliance statement for the first time during 2011-12. The statement discloses that, in line with best practice, the Joint Board undertook a self-assessment review of the effectiveness of its arrangements during the year, using a 56-point checklist completed by the Bridge manager. The self-assessment indicated a high-level of compliance. This exercise demonstrates the Joint Board's commitment to continuous improvement.

We have reviewed the annual governance statement and can confirm it is consistent with our understanding of the Joint Board's activities.

Annual governance statement



Governance Corporate governance framework and supporting arrangements

Internal audit reported that the Joint Board had adequate and effective internal control systems. Appropriate arrangements are in place in respect of standards of conduct and prevention and detection of fraud and irregularity.

<p>Internal audit:</p>	<p>The Joint Board has an outsourced internal audit provider. The Joint Board received its annual report from its internal auditor at its meeting in June 2012, before approval of the unaudited financial statements. This addressed the implementation of a recommendation made by the previous external auditors, as part of their 2010-11 annual audit report. The internal audit annual report concluded that <i>"the Board operates adequate and effective internal control systems as defined in the audit needs assessment, with proper arrangements in place to promote and secure value for money."</i> In undertaking their work for the year, while no significant issues were identified, internal audit noted that while assurance was obtained in respect of IT network arrangements, there were a number of areas identified for further improvement to ensure that controls were operating in line with industry recommended best practice.</p>
<p>Standards of conduct and prevention and detection of fraud and irregularity</p>	<p>The members of the Joint Board are drawn from the constituent councils, and as such are bound by the respective codes of conduct of those councils. The Joint Board adopts the national code of conduct for local authority employees. This is made available on the website to ensure that all Joint Board employees are aware of their responsibilities. We undertook appropriate systems audit work as part of our 2011-12 audit of Dundee City Council, with any findings reported to Council management. This included controls to prevent and detect fraud and irregularity. No audit findings relating uniquely to the Joint Board were identified during the audit work carried out at the Council.</p>
<p>Management representation letter</p>	<p>In accordance with International Standards on Auditing (UK & Ireland), management is required to provide us with representations on specific matters such as your financial standing, application of accounting policies, and whether the transactions in the financial statements are legal and unaffected by fraud. In respect of the restatement made to correct a material misstatement in the prior period financial statements as a result of an amount of grant income of £1.91 million not accounted for in 2010-11, we will be asking for specific representation that the Joint Board confirms that the restatement is appropriate.</p>



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Appendices



Appendix one Auditor's Independence

We are required by ethical standards to formally confirm our independence you.

There are no specific matters which have impinged on our independence.

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships, (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed. This statement is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence.

We have considered the fees paid to us by the Joint Board for professional services provided by us during the reporting period. There were no fees payable other than in respect of our audit.

We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the Ethical Standards issued by the UK Auditing Practices Board. As a result we have underlying safeguards in place to maintain independence through:

- instilling professional values;
- communications;
- internal accountability;
- risk management;
- independent reviews.

Please inform us if you would like to discuss any of these aspects of our procedures in more detail. There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to the Joint Board.

Confirmation of audit independence

We confirm that as of 21 September 2012, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of Stephen Reid and audit staff is not impaired.

This report is intended solely for the information of the Joint Board and should not be used for any other purposes.

Yours faithfully
KPMG LLP

Appendix two

Audit Scotland code of audit practice – responsibilities of the Joint Board

Financial statements

Audited bodies' financial statements are an essential part of accounting for their stewardship of the resources made available to them and their performance in the use of those resources. Audited bodies are responsible for:

- ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority;
- maintaining proper accounting records;
- preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the relevant financial reporting framework (eg, the Financial Reporting Manual or an Accounting Code of Practice);
- preparing and publishing with their financial statements an annual governance statement, statement on internal control or statement on internal financial control and a remuneration report; and
- preparing consolidation packs and, in larger bodies, preparing a Whole of Government Accounts return.

Systems of internal control

Audited bodies are responsible for developing and implementing systems of internal control, including risk management, financial, operational and compliance controls. They are required to conduct annual reviews of the effectiveness of their governance, systems of internal control, or internal financial control, and report publicly that they have done so. Such reviews should take account of the work of internal audit and be carried out by those charged with governance, usually through bodies' audit committees.

Prevention and detection of fraud and irregularities

Audited bodies are responsible for establishing arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions;
- developing and implementing strategies to prevent and detect fraud and other irregularity;
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity; and

- participating, when required, in data matching exercises carried out by Audit Scotland.

Standards of conduct and arrangements for the prevention and detection of bribery and corruption

Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and should put proper arrangements in place for:

- implementing and monitoring compliance with appropriate guidance on standards of conduct and codes of conduct for members and officers;
- promoting appropriate values and standards; and
- developing, promoting and monitoring compliance with standing orders and financial instructions.

Financial position

Audited bodies are responsible for conducting their affairs and for putting in place proper arrangements to ensure that their financial position is soundly based having regard to:

- such financial monitoring and reporting arrangements as may be specified;
- compliance with any statutory financial requirements and achievement of financial targets;
- balances and reserves, including strategies about levels and future use; and
- the impact of planned future policies and foreseeable developments on their financial position.

Best Value

Achievement of Best Value or value for money depends on the existence of sound management arrangements for services, including procedures for planning, appraisal, authorisation and control, accountability and evaluation of the use of resources. Audited bodies are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.



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REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 10 DECEMBER 2012
REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE
2011/2012 AUDIT OF TAY ROAD BRIDGE JOINT BOARD
REPORT BY: TREASURER
REPORT NO: TRB 29-2012

ITEM No. 8(c)

1 PURPOSE OF REPORT

This report is a response to the report prepared by the Board's External Auditor on the audit of Tay Road Bridge Joint Board for the year ended 31 March 2012. A copy of the External Auditor's report and the Board's Audited Statement of Accounts are included on the agenda as separate items.

2 RECOMMENDATIONS

It is recommended that the Board:

- i endorse this report as the formal response to the External Auditor's report;
- ii notes that the External Auditor's findings and conclusions are favourable;
- iii instructs the Treasurer to monitor the implementation of the agreed action plan appended to this report.

3 FINANCIAL IMPLICATIONS

None

4 MAIN TEXT

Introduction

- 4.1 The external audit of the Board for the financial year 2011/2012 was carried out by Mr Stephen Reid, Engagement Director, KPMG. The Joint Board's External Auditors are appointed for a five year period and the financial year 2011/2012 marked the first year of KPMG's current appointment to the Board.

External Auditors Report

- 4.2 The External Auditor's report outlines his main responsibilities as auditor and describes the scope of audit work undertaken during 2011/2012 and the issues arising from that work. The report is divided into the following areas:

- Executive Summary
- Financial Statements
- Financial Position
- Corporate Governance

- 4.3 In addition to the Members of the Board, the External Auditor's Report is also addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the External Auditor's responsibilities and scope of work, his report is by necessity both fulsome and extensive. A copy of his report is included on the agenda as a separate item. Accordingly, it is not the intention of this report to provide a detailed response or commentary on all the External Auditor's findings.

Conclusions

4.4 During 2011/2012, the External Auditor examined a number of areas covering a wide range of the Board's activities. Whilst a prior year adjustment was required and some areas for improvement have been identified, it is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular the Board can take encouragement from the following findings:

- the accounts were submitted on time;
- there was no qualification to the auditor's opinion;
- final accounts preparation procedures and working papers were good;
- assurance can be placed on the financial systems and internal financial controls used by the Board;
- many aspects of a sound corporate governance framework are in place, including an Annual Governance Statement; and
- there are appropriate arrangements in place in respect of standards of conduct and prevention and detection of fraud and irregularity.

5 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environment Assessment, Anti-Poverty and Equality Impact Assessment and Risk Management. There are no major issues identified.

6 **CONSULTATIONS**

The Bridge Manager and Clerk to the Board have been consulted on the content of this report.

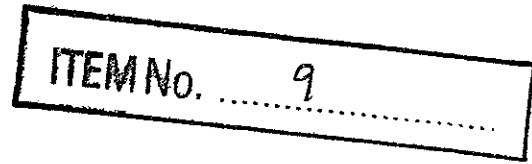
7 **BACKGROUND PAPERS**

KPMG: Tay Road Bridge Joint Board - Annual Report to Members on the 2011/2012 Audit (December 2012).

MARJORY M STEWART
TREASURER

13 NOVEMBER 2012

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 10th December 2012
REPORT ON: REPORT ON ANNUAL REVIEW OF BUSINESS CONTINUITY PLAN
REPORT BY: THE BRIDGE MANAGER
REPORT NO: TRB31- 2012



1 PURPOSE OF REPORT

1.1 To appraise the Joint Board of the annual review of the Business Continuity Plan and report on any Business Continuity Incidents.

2 RECOMMENDATIONS

The Board are asked to note the contents of this Report as at 30 November 2012.

3 FINANCIAL IMPLICATIONS

There are no financial implications as a result of this report.

4 POLICY IMPLICATIONS

4.1 None.

5. OUTCOME OF REVIEW

5.1 The Board's Business Continuity Plan was approved in September 2010. Business Continuity is invoked if there is an incident that can lead to the disruption of any major aspect of the normal service provided by the Tay Road Bridge Joint Board for more than 24 hours.

As part of the ongoing management of the plan it was agreed that the Business Continuity Plan would be reviewed annually and updated to take account of new or changed circumstances faced by the Board.

This review was carried out in November 2012 in conjunction with the Insurance and Risk Manager from Dundee City Council and it can be reported there are no changes to the Incident Management processes and procedure and no changes have been made to the Plan. A copy of the Business Continuity plan is attached as Appendix A.

6 BUSINESS CONTINUITY INCIDENTS

6.1 No incidents requiring the invocation of the Board's Business Continuity plan occurred during the past 12 months.

7 CONSULTATIONS

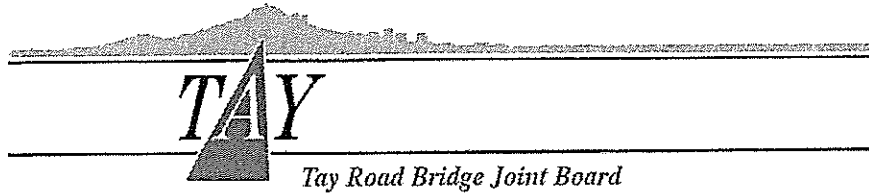
7.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report.

8 BACKGROUND PAPERS

8.1 None

IAIN MACKINNON
BRIDGE MANAGER
30 November 2011

Appendix A Business Continuity Plan



TAY ROAD BRIDGE JOINT BOARD

Business Continuity Plan

Prepared By:	Iain Mackinnon	Date:	November 2012
Revision No:	Rev 1	Review Date:	November 2013
Issued To:		Issued By:	

Contents

Section	Page
1. Introduction & Objectives	3
2. Incident Definitions	4
3. Notification, Escalation & Reporting	6
4. Incident Management Team – Roles & Responsibilities	7
5. Core Business Operations – Definitions	9
6. Interruptions and Continuity Plans	10
7. Resources	11
8. Key Contacts	12
9. Incident Log Forms	13
10. Appendices	14
Appendix A – Notification and Escalation Procedure Flowchart	
Appendix B – Incident Log Form	
Appendix C - Recovery Plan	

1. Introduction & Objectives

Business Continuity describes the processes and procedures an organisation puts in place to ensure that essential functions can continue during and after a disaster. Business Continuity Planning seeks to prevent interruption of critical services, and to re-establish full functionality as swiftly and smoothly as possible.

By producing this Business Continuity Plan (BCP) the Tay Road Bridge Joint Board is complying with its obligations under the Civil Contingencies Act (2004) and demonstrating its readiness to deal with any situation which could result in an interruption of its core function, namely the operation and maintenance of the Tay Road Bridge in such a manner as to maximise availability to the travelling public.

The Objective of this plan is to set out in clear and unambiguous steps the processes and procedures the Tay Road Bridge Joint Board will implement in the event of a scenario which invokes a Business Continuity situation.

2. Incident Definitions

The main scenarios identified as likely to result in Business Continuity being invoked are as follows:-

2.1 Loss of Administration Building and garages

Unavailability of the Administration Building and garages can occur through environmental incidents such as fire, water damage, explosion etc

2.2 Staff Unavailability

Staff may be unavailable for a number of reasons including:-

- Significant loss of life e.g. through fire, explosion, gantry collapse, vehicular accident etc
- Widespread illness e.g. influenza pandemic
- Adverse weather conditions
- Mass resignation/industrial action

2.3 Failure of IT/CCTV systems etc

The following systems may be unavailable for the following reasons

- Local Area Network – hardware/software failures/virus attack
- PC Workstations – hardware/software failures/virus attack
- CCTV – hardware failure of cameras/recording equipment/monitors software failure of recording system
- Weather Monitoring Equipment – hardware failure of weather station equipment/system software failure/data server failure
- External Links to Dundee City Council IT/Financial systems

2.4 Loss/Unavailability of Vehicles & Plant

The following vehicles and item of plant may be unavailable for the following reasons:-

- Patrol Van – breakdown/collision damage/vandalism
- Spec Lift - breakdown/collision damage/vandalism
- Flat Bed pick up - breakdown/collision damage/vandalism
- Mobile Gantries – mechanical failure/structural failure/accidental damage/vandalism
- Rescue Boats – mechanical failure/collision damage/vandalism

2.5 Unavailability of bridge to travelling public

The bridge could be unavailable to the travelling public, in one or both directions, for the following reasons:-

- Structural failure of critical element of structure
- Vehicular accident/incident on carriageway
- High wind/ weather related restrictions
- Terrorist threat/action

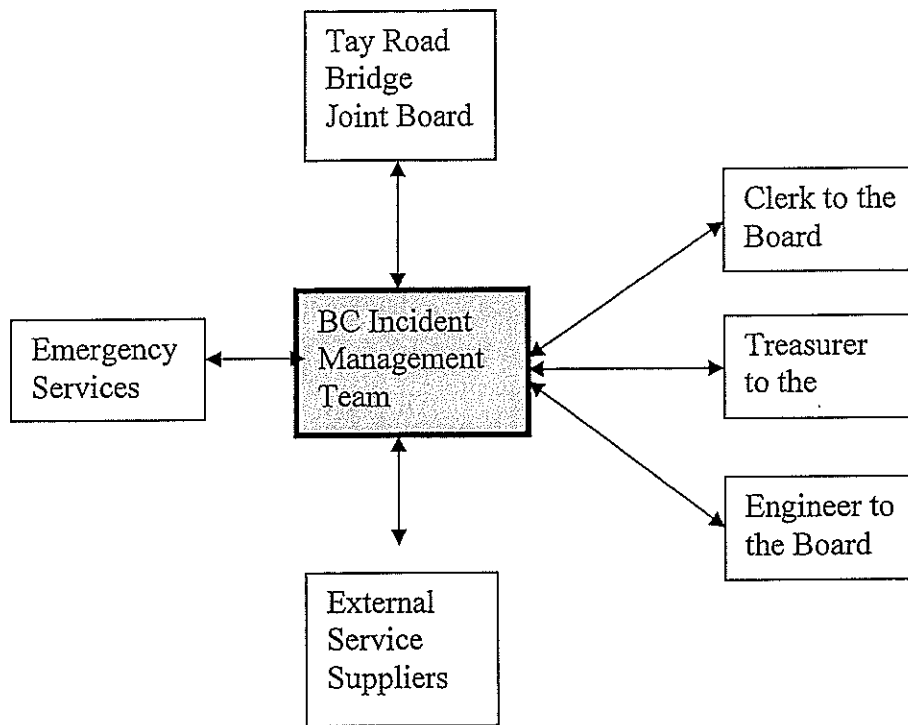
Procedures for dealing with the above situations are given in the Operations Manual held by the Bridge Manager, Administrative Officer, Maintenance Supervisor and the Duty Inspector.

3 Notification, Escalation & Reporting

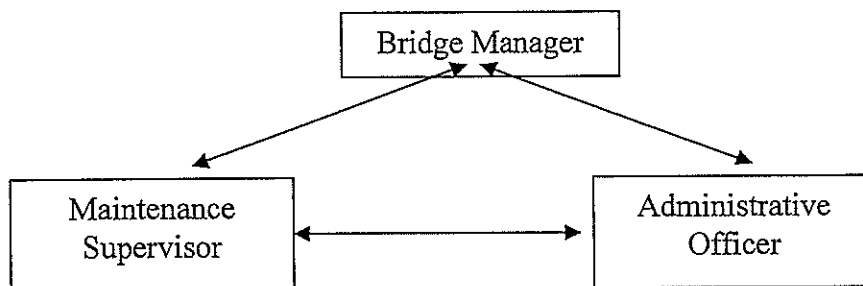
- 3.1 Incidents outwith normal day to day operation and administration of bridge activities shall be reported to the Bridge Manager in the first instance, or either the Maintenance Supervisor or Administrative Officer in the Bridge Manager's absence. A flowchart outlining the Notification and Escalation procedure is given in Appendix A.
- 3.2 If an incident is considered by the Bridge Manager, or the Officer acting on the Manager's behalf, to be exceptional then the Business Continuity Plan will be invoked and the incident dealt with in accordance with the relevant process/procedure.
- 3.3 If necessary the matter will be escalated by the Bridge Manager to the Clerk, Treasurer and Engineer to the Tay Road Bridge Joint Board as appropriate.
- 3.4 The Incident Management Team will regularly review the incident and determine when it is suitable to issue stand down instructions.
The Bridge Manager is responsible for issuing the stand down instructions and ensuring that all relevant parties are informed.
- 3.5 In all circumstances where this plan has been invoked it is essential to capture lessons learned by a process of incident debriefing and plan review.
The Bridge Manager will ensure that a debrief is carried out and draw up an Action Plan to progress recommendations identified at the debrief. Where recommendations require a revision of this plan this will be detailed in the Action Plan and the Bridge Manager will update the plan accordingly.
- 3.6 All incidents which result in the invocation of Business Continuity will be reported to the Members of the Tay Road Bridge Joint Board at the next scheduled meeting.

4. Incident Management Team – Roles and Responsibilities

4.1 The following diagram sets out the overall Business Continuity Organisational Structure:-



4.2 The following diagram sets out details of the Business Continuity Incident Management Team:-



4.3 The roles and responsibilities of the members of the Business Continuity Incident Management Team are as follows:-

Staff Member	Responsibilities
Bridge Manager	<ul style="list-style-type: none"> • Review Incident Reports and invoke Business Continuity if required • Overall co-ordination and implementation of Recovery Plan • Liaison between Incident Management Team, Board Officers and Board Members • Liaison with Media through Dundee City Council press office
Maintenance Supervisor	<ul style="list-style-type: none"> • First line response to incidents relating to damage to structures, property and plant and equipment and making initial report to Bridge Manager • Mobilisation and co-ordination of labour and resources • Initial inspection of damage to structures, property and plant and equipment
Administrative Officer	<ul style="list-style-type: none"> • First line response to incidents relating to staff and office IT systems and making initial report to Bridge Manager • Mobilisation and co-ordination of relief staff • Responsible for relocation of staff to alternative premises if necessary • Responsible for maintaining "Battle Box"

5. **Core Business Activities – Definitions**

The main core business activities undertaken by the Tay Road Bridge Joint Board are as follows:-

Activity	Definition
Operations	<p>Traffic monitoring and control</p> <p>Routine bridge patrols</p> <p>Vehicle breakdown recovery</p> <p>De-icing of bridge and associated on/off ramps</p> <p>First response to bridge related incidents</p>
Maintenance	<p>Inspection of bridge, mobile gantries and associated structures</p> <p>Preparation of estimates/programmes of work</p> <p>Undertaking first line maintenance on bridge, mobile gantries and associated structures</p> <p>Back up resource to Operations during high winds/bridge incidents</p>
Management	<p>Manage bridge and associated structures in such as way as to maximise availability to travelling public</p> <p>Manage Health & Safety to minimise risk to staff and all bridge users</p> <p>Manage staff/financial resources efficiently in accordance with appropriate employment and fiscal legislation</p> <p>Prepare reports to inform Tay Road Bridge Joint Board Members on major issues on a quarterly basis</p> <p>Procure goods, services and works in accordance with appropriate EU legislation</p>

6. Interruptions and Continuity Plans

6.1 Non Critical Interruptions

Procedures for dealing with non critical interruptions i.e. weather or traffic related incidents are given in the TRBJB Operations Manual

6.2 Business Continuity Interruptions

In the event that Business Continuity is invoked, full details of the recovery strategy is given in the Recovery Plan in Appendix C

7. Resources

7.1 The staff resources employed on a full time basis by the Tay Road Bridge Joint Board is given below:-

Position	Staff Numbers
Bridge Manager	1
Administrative Officer	1
Maintenance Supervisor	1
Bridge Inspectors	5
Bridge Officers	10
Maintenance Technicians	3
Maintenance Operatives	12
Administrative Assistant	1
Office Cleaner (P/T)	1

8. Key Contacts

The contact details of the Incident Management Team are:-

Name	Position	Business Telephone	Out of Hours Telephone	Mobile Telephone
Iain Mackinnon	Bridge Manager			
Fiona Fraser	Administrative Officer			
Andy Smith	Maintenance Supervisor			

The contact details for Key Board Officers and Members are:-

Name	Position	Business Telephone
Fergus Wilson	Engineer to the Board	
Roger Mennie	Clerk to the Board	
Marjory Stewart	Treasurer to the Board	
Councillor David Bowes	Chairman of the Board	
Councillor Margaret Taylor	Vice Chairman of the Board	

All other contact numbers are given in the Recovery Plan in Appendix C.

9. Incident Log Forms

A template for the Log to be used to record events during a Business Continuity event is given in Appendix B. This form will be used to review the Performance of the Recovery Plan once full business operation is resumed.

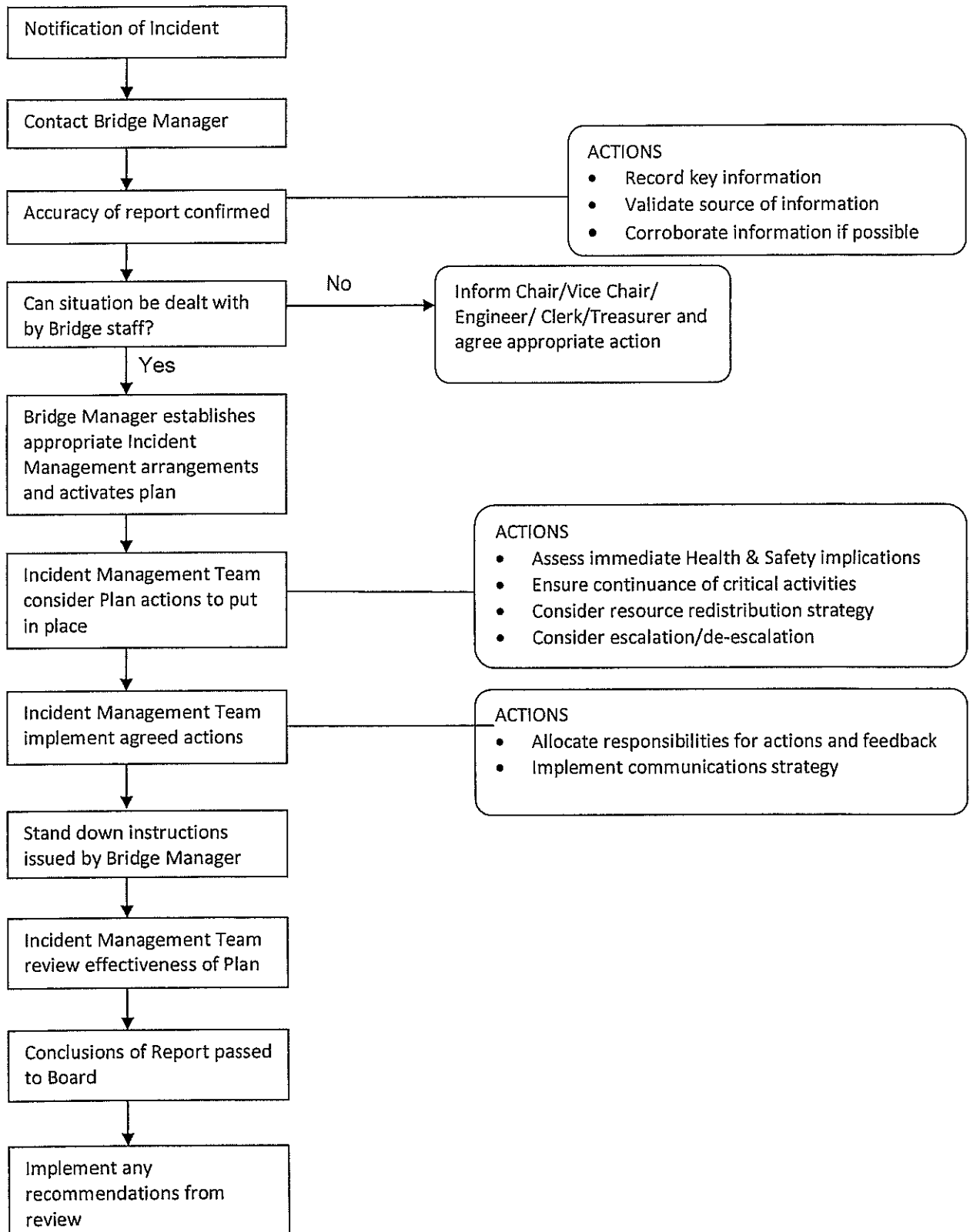
10. **Appendices**

Appendix A – Notification and Escalation Procedure Flowchart

Appendix B – Incident Log Form

Appendix C – Recovery Plan

Activation and Escalation Procedure Flowchart



Appendix B – Incident Log

Use this to record all actions taken, why they were taken, when they were taken and by whom in the management and recovery of the incident.

INCIDENT LOG

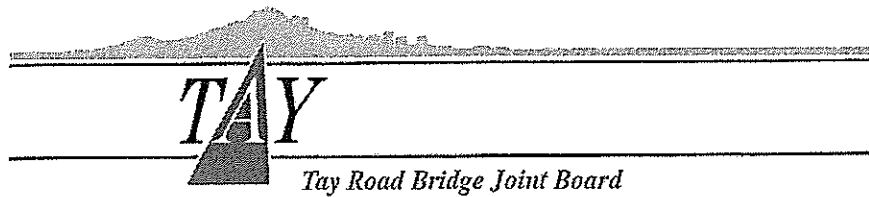
INCIDENT:	
LOCATION:	
IMPACT:	

Date/Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	
Time: From/To: Action: Other Info:	

Signature.....

Date.....

Name:.....



TAY ROAD BRIDGE JOINT BOARD

BUSINESS CONTINUITY DISASTER RECOVERY PLAN

This Plan is for use in the event of an incident affecting one or more of the divisional functions. Section 9 details the procedures to follow and it is possible to use all or some of the Recovery Plans dependent upon the incident.

Service	Tay Road Bridge Joint Board
Division	TRB Offices and Fife Car Park Premises
Chief Officer	Iain Mackinnon, Bridge Manager
Business Continuity Co-ordinator	Iain Mackinnon
Plan Owner	Iain Mackinnon
Service Recovery Manager	(To be completed in the event of an incident)
Filename/Path of DRP	<u>Divisional Recovery Plan.doc</u>
Revision Number	Rev 2
Date Created	June 2010
Date Modified	November 2012
Author	Iain Mackinnon

CONTENTS

1.	Team Summary.....	22
2.	Invocation of Business Continuity.....	23
3.	Business Continuity Contact Numbers	23
4.	Battlebox.....	24
5.	Temporary Accommodation	25
5.1.	Temporary Accommodation 1.....	25
5.2.	Temporary Accommodation 2.....	25
6.	Recovery Locations.....	25
6.1.	Recovery Location 1.....	25
6.2.	Recovery Location 2.....	25
7.	Staff Movements	26
7.1.	Staff Going Home.....	26
7.2.	Staff Relocating to Recovery Location.....	27
8.	Technology and Equipment Provision	28
8.1.	Applications.....	28
8.2.	Telephony.....	28
8.3.	Hardware/Equipment.....	29
9.	Recovery Procedures.....	30
9.1.	Building Loss	30
9.2.	IT Loss	31
9.3.	Telephony Loss.....	31
9.4.	Staff Shortage.....	32
9.5.	Critical Equipment Loss.....	32
10.	Contact Details	32
10.1.	Third Parties to be Contacted	32
10.2.	Staff Contact Details	33

RECOVERY PLAN

This plan will be used by the Bridge Manager or appropriate member of Management Team during an incident. It will be maintained by the Bridge Manager

This plan should be stored in a shared team area and must be updated following any change to establishment structure or process. The document should be saved as the next version number and sent to the Business Continuity Manager, unless otherwise stated. A copy is to be kept off site by the Clerk, Treasurer and Engineer to the Board

No changes should be made to the Plan without the agreement from the Bridge Manager either as part of the maintenance programme or during an incident.

1. Team Summary

No	Team	Location	No of Normal Desks (from Staff Sheet)	No of Recovery Desks at Recovery Location	Re-location Time (from Recovery Sheet)	Recovery Location (Decision of Strategic Group)
1	Management/Admin	TRB Building	7	4	24 Hours	
2	Operations	Control Room TRB Building	1	1	ASAP after incident	
3	Messrooms	TRB Building	N/A	N/A	24 Hours	
4	Workshops	TRB Building	N/A	N/A		
5	Garage	TRB Yard	N/A	N/A		
6	Kiosk and Public Toilet	Fife Car Park	N/A	N/A	N/A	N/A

2. Invocation of Business Continuity

(Info from Strategic Group)

	Name	Contact Numbers
Who do you tell if you discover a potential incident?	1. Bridge Manager 2. Administrative Officer 3. Maintenance Supervisor	See Section 3 Below
Who do tell you that Business Continuity has been invoked?	1. Chair/Vice Chair of Board 2. Clerk/Treasurer/Engineer	See Section 3 Below

If there is a full evacuation, you will be evacuated in accordance with the <Evacuation Procedures>.

3. Key Business Continuity Contact Numbers

Name	Role	Work Tel No	Out of Hours/ Mobile Tel No
Iain Mackinnon	Bridge Manager		
Andrew Smith	Maintenance Supervisor		
Fiona Fraser	Administrative Officer		
Neil Fergusson	Maintenance Technician (Works)		
Ged Glancy	Maintenance Technician (Electrical)		
Willie McKelvey	Maintenance Technician (Mechanical)		
Control Room	Duty Inspector		
Fergus Wilson	Engineer to the Board		
Roger Mennie	Clerk to the Board		
Marjory Stewart	Treasurer to the Board		
Cllr David Bowes	Chair of the Board		
Cllr Margaret Taylor	Vice – Chair of the Board		

4. Battlebox

If time and safety permits, take your Battlebox with you. The Battlebox should contain the following items. It is important to check at least once per month that all documentation is the latest version and that all items which staff use to help them do their jobs are copied and included in the Battlebox.

Examples of items to be included in the Battlebox are:

Torch, stationery, notebooks, disposable cameras, mobile phone charger, divisional documentation

Item	Number
Recovery Plan (Hard Copy)	1
Back up tape	1
Procedures Manual (Hard Copy)	1
Order Book	1
Staff Contact Details	1
Web based logins/passwords	1
Staff Rotas	1
Battery charger	1
Phone charger	1
High Viz Vests	3
USB Memory Stick – electronic copy of Recovery Plan, Procedures Manual etc	3
Notebooks/Pens/Pencils	12
VHF Radio & Charger	1
Hand Held Anemometer	1
Thermometer	1

5. Temporary Location

(Info from Strategic Group)

If you are advised that it will be either a few hours before re-entry to the building is permissible or that access is completely denied, you will be asked to make your way from the Evacuation Points to the Temporary Accommodation.

5.1. Temporary Location 1

Temporary Location	Address	Map
Dundee House	North Lindsay Street, Dundee	

5.2. Temporary Location 2

Temporary Location	Address	Map

6. Recovery Accommodation

Once staff can be moved from Temporary Accommodation, the following locations are designated as recovery locations. The recovery location for each team is shown on Page 2 of this Plan. The Crisis Manager will advise the Service Recovery Manager that relocation can commence. The Service Recovery Manager will advise each of their Heads of Service.

6.1. Recovery Accommodation 1

Recovery Location	Address	Map

6.2. Recovery Accommodation 2

Recovery Location	Address	Map

8. Technology and Equipment Provision

At the recovery location, the Recovery Site Co-ordinator will aim to ensure that the critical computer systems and telephony systems are available for the critical functions within the agreed timescales. Should there be a short period where staff will need to work without the systems while restoration is completed, refer to Section 9.2 (Contingency Procedure for operating without critical IT)

8.1. Applications

Very High Criticality		High Criticality		Medium Criticality	
Application	Likely Restoration Time	Application	Likely Restoration Time	Application	Likely Restoration Time
MS Small Business Server	4 hours (Exactive Disaster Recovery)				

8.2. Telephony

The following provisions will be made at the recovery location

Team	Standard Desk Phones	Fax	Mobiles
Management	4	1	N/A
Operations	1	1	N/A

The following telephone numbers will be transferred to the recovery location. No further action need be taken.

Team	Telephone Numbers Which Will be Transferred to the Recovery Location
Management Operations	221881
	223283

The following telephone numbers cannot be transferred – staff will need to inform clients, suppliers or customers of the new telephone numbers at the Recovery Location. Once you have been relocated enter the relevant numbers in this section

Team	Office Telephone Number	Recovery Location Telephone Number

8.3. Hardware/Equipment

The following critical equipment need to be available for use in Recovery

Team	Description	Number	Location	Supplier	Lead Time
Management team	Laptop or PC	3	TBC		24 hours
	Printer	1	TBC		24 Hours
Operations (In event of loss of Control Room)	Vaisala Server	1	Control Room	Vaisala Ltd	6-8 Weeks
	CCTV Operating/Recording System	1	Control Room	Bt Redcare	2 Days + supply of connection from cameras to recovery location
	VHF Radios	Base Set + Hand Sets	Control Room	Tay Communications	24 Hours
	VMS Controller	1	Control Room	VMS Ltd	16 Weeks

8.4. Materials

The following critical materials need to be available for use in Recovery

N/A

9.2 IT Loss

In the event of an IT failure, the following Contingency Plan should be adopted. The member of staff detecting the fault should log it with the Exactive in the first instance. **This assumes the building itself is unaffected.**

This procedure would also be used if Business Continuity has been invoked and there is a delay between relocation and restoration of critical systems. Please detail the actions you should take if the failure lasts for 24 hours and for a longer term failure. **Please enter in priority order.**

Team	Loss	Action	Supporting Documents	Done
Management /Admin	Office Server	Activate second server using most recent back up tape	N/A	
Management / Admin/ Operations	Broadband Connection	Contact IFB (Internet For Business) Help Desk	Operations Manual	
Operations	Vaisala Server	Contact Vaisala Help Desk	Operations Manual	
Operations	I-Witness Server	Contact BT Redcare Help Desk	Operations Manual	
Operations	VMS	Contact VMS Ltd	Operations Manual	

9.3 Telephony Loss

In the event of a telephony failure, the following Contingency Plan should be adopted. Please detail the actions you should take within the first 24 hours and for an outage which will last for longer than 24 hours. Please enter in priority order.

This procedure could be used for a:

- telephony only failure (building unaffected)
- telephony failure and concurrent building loss

--	--

Team	Action	Supporting Documents	Done
All Teams	<ul style="list-style-type: none"> • Telephone only failure - <24 hours – No Action • Telephone only failure - >24 hours – Use staff mobile phones & email as necessary. 	None	
	<ul style="list-style-type: none"> • Telephone & Building loss – <24 hours - Staff mobile phones and temporary location 	None	

Team	Action	Supporting Documents	Done
	<ul style="list-style-type: none"> Telephone & Building loss - >24 hours – Staff mobile phones / Recovery Accommodation & telephony provided. 		

9.4 Staff Shortage

In the event of a staffing issue, the following Contingency Plan should be adopted. Staffing shortage could be caused by sickness, transport failure and industrial action amongst others.

Team	Action	Supporting Documents	Done
All Teams	<p>Rationalise resources to cover all critical operations wherever possible.</p> <p>Implement two person shift procedures for Inspectors/Officers if necessary</p>	<p>Operations Manual</p> <p>Operations Rotas</p>	

9.5 Critical Equipment Loss

In the event of the function not being able to operate due to the loss of critical equipment, the following Contingency Plan should be adopted.

Team	Action	Supporting Documents	Done
Inspectors/Officers	<p>Loss of Spec. Lift</p> <p>Use alternative vehicle with tow pole</p>	Operations Manual	

9.6 Critical Materials Loss

In the event of the function not being able to operate due to the loss of critical materials, the following Contingency Plan should be adopted.

N/A

10 Contact Details

10.1 Third Parties to be contacted

Company	Contact Name	Address	Telephone

10.2 Staff Contact Details

Name	Designation	Work Phone	Out of Work Contact
Iain Mackinnon	Bridge Manager		
Fiona Fraser	Administrative Officer		
Andy Smith	Maintenance Supervisor		
Catriona James	Administrative Assistant		
Neil Fergusson	Maintenance Technician		
Ged Glancy	Electrician		
Willie McKelvey	Mechanic		
Brian McIlravey	Bridge Inspector		
Alan Delpippo	Bridge Inspector		
Kevin Coats	Bridge Inspector		
Geoff Willis	Bridge Inspector		
Jim McDonald	Bridge Inspector		
Ray Byrne	Maintenance Operative		
Stuart Tarvit	Maintenance Operative		
Matt Lannen	Maintenance Operative		
Heidi Bowman	Maintenance Operative		
Mark West	Maintenance Operative		
Ken Christie	Maintenance Operative		
Steve McLean	Maintenance Operative		
Duncan MacGregor-Young	Maintenance Operative		
Graeme Dunn	Maintenance Operative		
Jim Jeffrey	Maintenance Operative		
James Morris	Maintenance Operative		
Shaun Atkinson	Maintenance Operative		
Yvonne Rice	Bridge Officer		
Dave Wells	Bridge Officer		
Tom Maclachlan	Bridge Officer		
Ken Barnett	Bridge Officer		
Graeme Simpson	Bridge Officer		
George Orr	Bridge Officer		
Fred Olds	Bridge Officer		
Ross Hannan	Bridge Officer		
Dawn Wallace	Cleaner		

REPORT TO: Tay Road Bridge Joint Board - 10 December 2012

REPORT ON: Employment Equality Monitoring - Annual Report

REPORT BY: Bridge Manager

REPORT NO: TRB33-2012

ITEM No. 12

1 PURPOSE OF REPORT

1.1 The purpose of this report is to advise the Board of the results of equality monitoring carried out in accordance with the Board's Single Equality Scheme and to report on the progress towards meeting the commitments made in the Scheme.

2 RECOMMENDATIONS

It is recommended that the Board:-

2.1 Notes the information contained in Appendix 1.

2.2 Approves the publication of the information contained in Appendix 1 on the Tay Road Bridge website.

3 FINANCIAL IMPLICATIONS

3.1 The financial implications are minimal and will be contained within the existing budget.

4 MAIN TEXT

4.1 The Board's Single Equality Scheme requires the monitoring information, contained at Appendix 1, to be reported annually.

4.2 The Board's Equality Monitoring Reports and Equality Scheme are published on the Tay Road Bridge website.

5 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact Assessment and Risk Management.

The publication of the monitoring data complies with the requirements of the Equality Act 2010.

6 CONSULTATION

6.1 The Clerk to the Board and the Head of Human Resources, Dundee City Council, have been consulted in the preparation of this report.

7 BACKGROUND PAPERS

7.1 None.

Iain Mackinnon
Bridge Manager

TAY ROAD BRIDGE - EQUALITY MONITORING INFORMATION – 2011-2012

1 **Staff in Post**

The following table contains the monitoring data for existing employees.

1.1 **Ethnic Group**

Ethnic Group		No of Employees
White	English	1
	Scottish	32
	Welsh	1
Total		34

1.2 **Disability**

Disability	No of Employees
Disabled	1
Non-disabled	33
Total	34

1.3 **Gender**

Gender	No of Employees
Male	29
Female	5
Total	34

2 **Applicants for Employment**

In 2012, one Maintenance vacancy was advertised, and 2 Bridge Officer vacancies. The information gathered from the job vacancy application forms is as follows:-

2.1 **Maintenance Operative Tech 2**

Closing Date 15/06/12

2.1.1

Ethnic Group		No of Applicants	No Interviewed	No Successful
Asian	Other	3	11	1
White	Scottish	61		
	British	8		
Total		72	11	1

2.1.2

Gender	No of Applicants	No Interviewed	No Successful
Male	72	11	1
Female			
Total	72	11	1

2.1.3

Disability	No of Applicants	No Interviewed	No Successful
Disabled	2	1	1
Non-disabled	70	10	
Total	72	11	1

2.1.4

Age Group	No of Applicants	No Interviewed	No Successful
16-25	4	1	1
26-35	14	2	
36-45	24	2	
46-55	27	6	
56 and over	3		
Total	72	11	1

2.1.5

Religion	No of Applicants	No Interviewed	No Successful
None	9	1	
Church of Scotland	42	9	1
Roman Catholic	10		
Other Christian	5		
Muslim			
Unknown	6	1	
Total	72	11	1

2.2 Bridge Officer

Closing Date 28/09/12

2.2.1

Ethnic Group		No of Applicants	No Interviewed	No Successful
Asian	Other	13	1	
White	Scottish	126	14	1
	British	11		
	Not Entered	5		
Total		155	15	1

2.2.2

Gender	No of Applicants	No Interviewed	No Successful
Male	153	15	1
Female	2		
Total	155	15	1

2.2.3

Disability	No of Applicants	No Interviewed	No Successful
Disabled	5		
Non-disabled	147	15	1
Not Entered	3		
Total	155	15	1

2.2.4

Age Group	No of Applicants	No Interviewed	No Successful
16-25	16	1	
26-35	27	8	1
36-45	32	4	
46-55	52	2	
56 and over	21		
Unknown	7		
Total	155	15	1

2.2.5

Religion	No of Applicants	No Interviewed	No Successful
None	37	6	1
Church of Scotland	59	5	
Roman Catholic	16	3	
Other Christian	36	1	
Muslim	0		
Unknown	7		
Total	155	15	1

22/11/2012

