



Tay Road Bridge



## **TAY ROAD BRIDGE JOINT BOARD**

### **ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

**AUDITED**



**SEPTEMBER 2020**

**TAY ROAD BRIDGE JOINT BOARD  
ANNUAL ACCOUNTS 2019/2020  
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## TAY ROAD BRIDGE JOINT BOARD MEMBERS AND OFFICIALS

Tay Road Bridge Joint Board ("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 has 1 member and Fife Council nominates the remaining 5 members. Following the Scottish Local Government Elections that were held in May 2017 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 2019/2020, the Members and Officials of the Board were:

### Representing Dundee City Council

Councillor Stewart Hunter (Chair until 17 June 2019)  
Councillor Bill Campbell  
Councillor Fraser Macpherson  
Councillor Lynne Short (Chair from 17 June 2019)  
Councillor Margaret Richardson  
Councillor George McIrvine



### Representing Angus Council

Councillor Craig Fotheringham



### Representing Fife Council

Councillor Jonny Tepp (Vice-Chair)  
Councillor Brian Thomson  
Councillor Bill Connor  
Councillor Andy Heer  
Councillor John Docherty



### Bridge Manager

Mr Alan Hutchison BEng (Hons), MSc, CEng, FICE, MCIHT.

### Engineer

Mr Gary Brady, BEng (Hons), PGDip, CEng, FICE, MCIHT, Dundee City Council.

### Clerk

Mr Roger Mennie LLB (Hons), DipLP, Dundee City Council.

### Treasurer

Mr Gregory Colgan, BAcc (Hons), ACMA, CGMA, Dundee City Council.

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# **TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY**

## **INTRODUCTION**

We are pleased to present the Annual Accounts for Tay Road Bridge Joint Board ("the Board") for the year ended 31st March 2020. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/2020 ("the Code"). This Management Commentary provides a context for the annual accounts and an analysis of the financial performance during the year. The principal risks and uncertainties facing the Board are identified, together with the potential impact and actions being taken.

The Board was established by the Tay Road Bridge Order Confirmation Act 1962 to construct and maintain the Tay Road Bridge. This Order was superseded by the Tay Road Bridge Order Confirmation Act 1991 ("the 1991 Act"). The Board's Business Model has been set up to meet the requirements of the 1991 Act.

## **ORGANISATIONAL CHANGES**

Tay Road Bridge Joint Board has an organisational make-up of twenty-two staff members, comprising eleven shift workers (Operations staff), eight Maintenance members of staff and three members of staff dealing with all administrative duties. We saw the retirement of a member of the maintenance team in early 2020 and this post will be filled in due course.

The team have continued to undertake training to make sure that they have confidence and competence in their individual roles, with the following examples of some of the training delivered:

- Mental Health Awareness;
- Crisis De-escalation;
- Conflict Management;
- Applied Suicide Intervention Skills Training (ASIST);
- Equality and Human Rights;
- Emergency First Aid at Work and St Andrews First Aid;
- Fire Awareness;
- Fire Steward training;
- Security Industry Authority (SIA) Licence for CCTV;
- Coaching Conversations; and
- Courageous Conversations.

Bridge Inspector training was delivered over a two day course in 2019 by Sheffield Hallam University, and we were pleased to extend an invite to this course to colleagues from Dundee City Council and Fife Council. Four members of Fife Council's Bridges and Structures team joined in with the Board's staff members at this course and gave excellent feedback regarding the course content and teaching style. This was a great example of partnership working and an efficient use of public sector resources through shared learning.

The Engineer to the Board, Fergus Wilson, retired on 30 March 2019 and we were pleased to welcome Gary Brady, from Dundee City Council's Bridges and Structures team, as an interim replacement following Board approval.

## **MANAGEMENT ARRANGEMENTS 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 and future projects.

# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## CONTRACTS

The management of traffic and pedestrian users of the Tay Road Bridge has benefitted from a number of successful projects delivered in 2019/2020, with more projects due for delivery in 2020/2021 that will add resilience to the bridge's infrastructure.

### New Switchgear at Dundee and Fife

This project was approved at the June 2018 Board meeting and achieved practical completion on 17 January 2020. This project renewed and upgraded the main electrical switchgear that serves the Dundee and Fife sides of the bridge. The switchgear that has been replaced was over thirty years old and has been renewed to minimise the risk of future failure, and thus help ensure business continuity, along with an upgrade of capacity to accept future electric vehicle charge points.



### Administration Office Building

In December 2019 the Board approved the appointment of Wilmott Dixon for the project works with the performance obligations of the contract to be undertaken by Robertson Construction. These are to undertake necessary repairs to the Administration Office roof, along with a refurbishment of the control room and staff mess room. Works on site commenced in January 2020. Approximately 40% of the roof works, 95% of the temporary control room and 95% of the new mess room had been completed before works were stopped on 24 March 2020 due to the Coronavirus (Covid 19) pandemic. Works were stopped to comply with the Scottish Government advice to stop all construction works not directly related to the "fight" against Covid 19. Works will recommence when the UK / Scottish Government provide advice that it is safe to do so and in agreement with the Tay Road Bridge Joint Board Officers.



# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## LED Lighting

Installation of new LED lighting to the bridge carriageway and Fife car park was approved in December 2018. The Street Lighting Partnership completed this project, including new lighting columns and LED lamps to the steps serving Newport-on-Tay, by September 2019. LED lighting is considered to be a better quality of light than the existing metal halide lighting, and will improve visibility for all users, whilst also leading to energy savings and reducing the Board's carbon footprint.



## Cathode Protection (CP) Monitoring Equipment

This project was approved at the December 2018 Board meeting. CP is a method used to halt the corrosion of steel reinforcement by applying a small DC current through a surface mounted anode. This effectively forces the reinforcement to act as a cathode thus repressing the rusting action. Cathode Protection Company Limited were appointed in January 2019 and have since successfully manufactured and completed the installation of the new CP monitoring equipment. Works were completed by the end of September 2019. This has corrected many errors on this part of the system, and also added resilience to allow the system to be adaptable to future technological advances. Further investigation on the remainder of this system will continue when access is available during the Pier and Column inspection works in 2020, following resolution of the Coronavirus (Covid 19) pandemic and when restrictions on public movement are lifted.

## New Vehicles

Two new bridge patrol vehicles were purchased during 2019/2020 to replace two ageing vehicles which were at the end of their lifespan. These patrol vehicles ensure that the operational requirements of the bridge crossing will be achieved more efficiently and effectively.



## Consulting Engineering Services

WSP were appointed to provide a multi-disciplinary engineering consultancy service following Board approval in December 2019. The provision of professional consulting engineering services for a five year term is to allow knowledge and expertise to be developed through partnership working and make sure that a robust strategy for all replacement schemes can be evidenced.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

WSP have commenced a desk top study and survey work to help the Board determine the condition of the existing carriageway with the aim of providing advice regarding the optimum time to carry out replacement of the 1966 asphalt surfacing. The site survey works have been halted due to the Coronavirus (Covid 19) pandemic, but will resume when the UK / Scottish Government provide advice that it is safe to do so and in agreement with the Tay Road Bridge Joint Board Officers.

In order to maintain momentum of service delivery, WSP have been instructed to commence a desk top study into a future project to design new inspection gantries to replace the existing gantries that are over thirty years old. This work does not require site attendance.

### Park and Choose Proposal

Fife Council was awarded £235,000 by Transport Scotland at the end of November 2019 to take forward the Tay Bridgehead Park and Choose project. This grant from Transport Scotland is to progress and update the Tay Bridgehead Park and Choose work that was undertaken in 2010. The 2010 proposal included a Park and Choose site with an approximate 450 space car park, landscaping, access junction, drainage, lighting, CCTV, bus turning facilities, bus stances and shelters, and EV charging.

Fife Council Officers have formed a working group, consisting of the Bridge Manager, Dundee City Council Officers, and Tactran (supported by SEStran) to support them in carrying out all the necessary work to obtain planning permission and push towards a final development plan for implementation in 2021/2022. Future works would be funded by Scottish Government grants obtained through an application to Transport Scotland.

### TRAFFIC

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	Wind speed > 60mph	Wind speed > 45mph	Works Full Closures	Breakdowns and Minor Accidents	Operational, Miscellaneous and Police
Closed to all Vehicles	Cars Only	No Double Deck buses			
2	9	53	1	8	540
<b>Comparator figures for 2018/2019:</b>					
2	15	64	2	25	639

Over the past twelve months there were two full closures due to winds exceeding 80mph, and this is identical to that recorded in 2018/2019, but overall the number of wind related restrictions has decreased by approximately 20% when compared with those recorded in 2018/2019.

Breakdowns are substantially down in comparison to 2018/2019, which was down by ten from the thirty-seven breakdowns recorded in 2017/2018. This is due to the developing efficiency of Board staff using the Impact Protection Vehicle (IPV) to protect stranded vehicles without the need to close the bridge.

Operational and Police closures are also down by 15% from 2018/2019. This is comparable with the number of closures recorded in 2017/2018.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### STRATEGIC PLAN AND PERFORMANCE SUMMARY

The Board's mission is to provide the travelling public with safe, reliable and efficient crossing of the River Tay through the operation, maintenance and improvement of the Tay Road Bridge. In order to support these aims a Strategic Plan was introduced in December 2018, which details five strategic goals to guide the Board.

- 1. Meeting User Expectations:** Ensuring continued reliability of journeys and providing modern interfaces with our users;
- 2. Fiscally Sustainable:** Maintaining financial responsibility through effective and appropriate deployment of capital and revenue resources;
- 3. Transparent Governance and Clear Decision Making Processes:** Fit for purpose governance arrangements with clear lines of responsibility and accountability that are transparent and clear to users and the general public;
- 4. A Modern, Diverse and Well Trained Workforce:** Providing roles that are fit for purpose whilst offering a range of opportunities for as wide a cross-section of the potential workforce as the service provided allows; and
- 5. Quality and Standards:** Improve safety, maintenance and processes to deliver continuous improvement.

Key Performance Indicators (KPIs) are used to measure general performance and success in achieving some of these key priorities, and these are reported annually to the Board as part of the management commentary contained within the Annual Accounts. KPIs to be measured annually include:

- Quality and Standards: Accidents and incidents (Employees and members of the public);
- Quality and Standards: Lost Time due to accidents and incidents (Employees);
- Fiscally Sustainable: Expenditure (reported in the Annual Accounts);
- Meeting User Expectations: Complaints and questions;
- A Modern, Diverse and Well Trained Workforce: Staff Absences; and
- Fiscally Sustainable: Payment of Invoices.

The remaining KPI is reported quarterly to the Board:

- Meeting User Expectations: Bridge traffic lane availability (reported quarterly as part of a separate report).

**KPIs for the full calendar years 2015 to 2019 are as follows:**

#### Safe Services

Years	Accidents Involving Members of the Public
	(Target = Reduction Year on Year)
2015	6
2016	2
2017	9
2018	9
2019	2

Years	Reportable Incidents Involving Employees	Minor Accidents Involving Employees	Time Lost – Employees (Hrs)
	(Target = 0)	(Target = 0)	(Target = 0)
2015	0	2	0
2016	0	2	24
2017	0	2	0
2018	0	3	16
2019	2	1	376

The statistics for all accidents, either involving staff, or members of the public, are low. It is noted in the Strategic Plan that many Road Traffic Collisions (RTCs) on the bridge are due to driver error and outwith the control of the Board. Police Scotland are called to all RTC's on the bridge.

During 2019 the time lost by employees due to accidents was 376 hours, with one employee accounting for the majority of this absence. The cause of all accidents are investigated and mitigation measure are put in place to avoid a repeat occurrences. All employees have recovered and are back at work. A separate Health and Safety report is presented to the Board annually.



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### Effective and Efficient Services: Complaints and Enquiries

Years	Complaints Received & Responses			Enquiries Received & Responses		
	Complaints Received	Complaints Responded To	Complaints Responded to within 10 Working Days	Enquiries Received	Enquiries Responded To	Enquiries Responded to within 10 Working Days
	Target = 10% Reduction Year on Year	Target = 100% of Complaints Responded to	Target = 100% of Complaints Responded to	Target = 10% Reduction Year on Year	Target = 100% of Enquiries Responded to	Target = 100% of Enquiries Responded to
<b>2015</b>	7	7	7	36	36	36
<b>2016</b>	10	10	10	77	77	77
<b>2017</b>	4	4	4	28	28	28
<b>2018</b>	6	6	6	50	50	50
<b>2019</b>	1	1	1	28	28	28
<b>2020 (to 31 March 2020)</b>	1	1	1	21	21	20

Since 2015 we have received on average six complaints per year from the public regarding our services. These generally relate to concerns regarding bridge availability during closures, or concerns related to our sharing of information during such closures. All complaints are responded to in a timely manner and within ten working days.

Since 2016 there has been a substantial drop in enquiries from members of the public, either received by the Bridge Manager directly or through Councillor enquires, down from seventy-seven enquiries in 2016 to twenty-eight enquiries in 2019. All but one of these enquiries was responded to within ten working days. This reduction in enquiries is most likely to be attributable to our social media feed and Frequently Asked Questions published on our website, providing up-to-date bridge user information and answers to common questions.

A public questionnaire asking for comments and suggestions to help us improve the Board's website was issued via social media on 1 May 2019. The results of these, and a reflection on the queries already received, have helped us to redesign a new website through our IT partners at Dundee City Council, and it is anticipated that the new website layout will help us improve the sharing of information that is relevant to all our user groups. The new website has been developed and is awaiting Board member comment before it is launched in 2020.

### Effective and Efficient Services: Staff Absence

Calendar Years	Staff Sickness (Average Days per Annum)
	<b>Target = &lt;5</b>
<b>2015</b>	17.45
<b>2016</b>	5.76
<b>2017</b>	6.98
<b>2018</b>	7.55
<b>2019</b>	29.5

The Board lost 29.5 average days per employee per year in 2019. This is above the national average of 4.1 days published by the Office for National Statistics (ONS) in 2017. The 2019 figure was affected by two members of staff being off on long-term absence, with one being the result of an accident.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### Effective and Efficient Services: Payment of Invoices

Years	Payment of Invoices within 30 days of Invoice Date
	<b>Target = 100%</b>
<b>2015/16</b>	98.06%
<b>2016/17</b>	98.81%
<b>2017/18</b>	98.86%
<b>2018/19</b>	98.85%
<b>2019/20</b>	99.68%

The Board continue to pay invoices timeously and aim to do this within thirty days. The percentage of payments made within thirty days of invoice date during 2019/2020 was 99.68%.

### IMPACT OF CORONAVIRUS PANDEMIC ON OPERATIONS

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This has had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis. The actions detailed in the Business Continuity Plan have been implemented during the current Covid19 crisis and it will continue to be updated to reflect changing circumstances.

### STAFFING ISSUES

#### Staff Establishment

Staffing levels and the existing establishment stands as follows:-

	2019/2020	2019/2020	2018/2019	2018/2019
	Current	Establishment	Current	Establishment
Administration	3	3	3	3
Operational	11	11	11	11
Maintenance	7	8	8	8
<b>Total</b>	<b>21</b>	<b>22</b>	<b>22</b>	<b>22</b>



# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## FINANCIAL PERFORMANCE REVIEW

### ***CIPFA's Telling the Story Review of the Presentation of Local Authority Financial Statements:***

Following publication in 2015 of CIPFA's Telling the Story Review of the Presentation of Local Authority Financial Statements, the 2016/2017 Code changed the segmental reporting arrangements for the Comprehensive Income and Expenditure Statement and introduced the Expenditure and Funding Analysis. The Expenditure and Funding Analysis brings together Local Authority performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Reserve. Both the Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis include a segmental analysis which requires local authorities to report performance on the basis of how they are structured and how they operate, monitor and manage financial performance.

### **Revenue Expenditure**

The Tay Road Bridge Joint Board, at its meeting on 3 December 2018, approved the 2019/2020 Revenue Budget. The final budget showed a projected net deficit of £35,000. This would be funded from General Reserves. The projected General Reserve balance as at 31 March 2020 would be £1,125,591.

The Board received quarterly Revenue Monitoring reports during 2019/2020 in order to keep the members fully apprised as to the projected revenue outturn position.

In last year's Audited Accounts there was an adjusting event to the accounts that occurred between 1 April 2019 and 16 September 2019 that required adjustment to the 2018/2019 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer. The event that took place before this date provided information about conditions that existed at 31 March 2019 and the figures in the financial statements and notes were adjusted in all material respects to reflect the impact of this information. The Joint Board's 2018/2019 Unaudited Accounts included an amount of £2.011m for the Capital Grants Unapplied Reserve within its Usable Reserves balance of £3.172m. The Capital Grants Unapplied Reserve represents capital funding from Transport Scotland that is carried forward for use in future years. Transport Scotland advised the Joint Board in August 2019 that the full amount of the balance is not available for carry forward and agreement was reached to retain the proportion of the carry forward balance that was projected to be required to fund the 2019/2020 capital programme and repay the balance of £1.366m to Transport Scotland. This amount was repaid during 2019/2020 and is reflected in the significant movement in the 'Cash and cash equivalents' figure in the Cash Flow Statement.

The following table reconciles the Revenue Budget approved by the Board on 3 December 2018 to the revised budget figures that are included in the Comprehensive Income and Expenditure Statement shown on page 30. The actual outturn for 2019/2020 was a net overspend against budget of £247,000. This mainly relates to having to repay any Capital Grants Unapplied due to Transport Scotland's requirement not to allow any further carry forward of unapplied capital grant after 31 March 2020.

Before this adjustment was made there was a net overspend against budget of £63,000 before the application of accounting adjustments. The detailed variance analysis is set out on page 13. After the required accounting adjustments this gives a total General Reserve balance of £1,160,591 as at 31 March 2020 which is unchanged from the corresponding figure at 31 March 2019.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

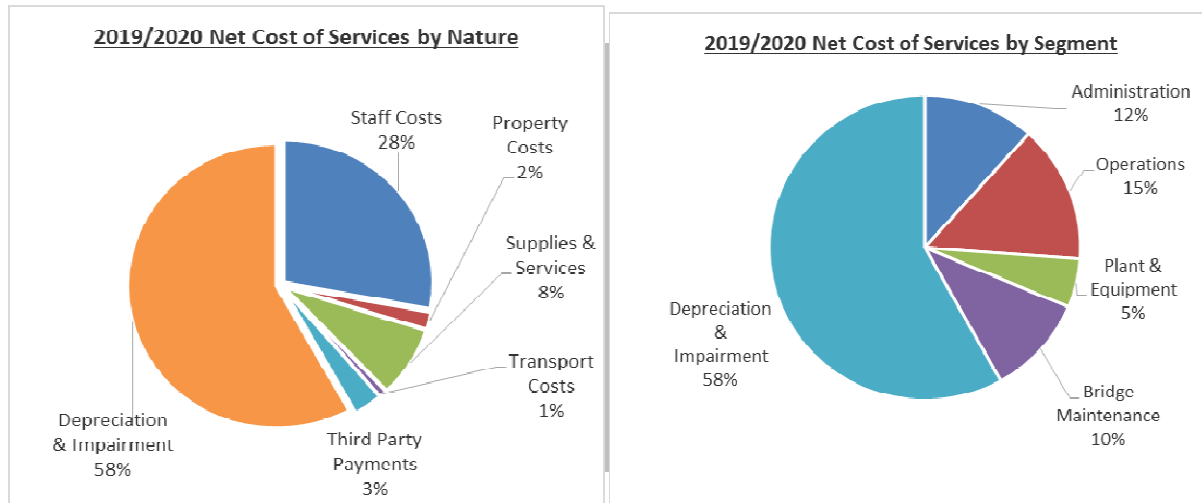
	Approved Budget £000	Reallocate CFCR £000	Net Depreciation & Impairment Allocation £000	Reallocate Investment Property Inc & Exp £000	Employee Benefits Adjustment £000	Net (Gain) or Loss on Disposal of Assets £000	Recognised Capital Grant £000	IAS 19 Adjs £000	Revised Budget £000	Actual Expend/ (Income) £000	Over / (Under) Spend £000
Administration	448	-	-	-	2	-	-	10	460	451	(9)
Operations	501	-	-	-	-	-	-	73	574	565	(9)
Plant & Equipment	260	-	-	-	-	-	-	-	260	200	(60)
Bridge Maintenance	412	-	-	(3)	3	-	-	44	456	409	(47)
CFCR	150	(150)	-	-	-	-	-	-	-	-	-
Corporate Costs	-	-	2,215	-	-	-	-	39	2,254	2,254	-
<b>Net Cost of Services</b>	<b>1,771</b>	<b>(150)</b>	<b>2,215</b>	<b>(3)</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>4,004</b>	<b>3,879</b>	<b>(125)</b>
Other Operating Income & Expenditure	(11)	-	-	10	-	(6)	-	-	(7)	(7)	-
Financing & Investment Income & Expenditure	(25)	-	-	(7)	-	-	-	20	(12)	(15)	(3)
Non-Specific Grant Income	(1,700)	-	-	-	-	-	(188)	-	(1,888)	(1,513)	375
<b>(Surplus) / Deficit on Provision of Service</b>	<b>35</b>	<b>(150)</b>	<b>2,215</b>	<b>-</b>	<b>5</b>	<b>(6)</b>	<b>(188)</b>	<b>186</b>	<b>2,097</b>	<b>2,344</b>	<b>247</b>
(Surplus) / Deficit on Revaluation of PPE	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	-	(36)	(36)	(36)	-
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>35</b>	<b>(150)</b>	<b>2,215</b>	<b>-</b>	<b>5</b>	<b>(6)</b>	<b>(188)</b>	<b>150</b>	<b>2,061</b>	<b>2,308</b>	<b>247</b>
IAS 19 Adjustments	-	-	-	-	-	-	-	(150)	(150)	(155)	(5)
Other IFRS Code Accounting Adjustments	-	150	(2,215)	-	(5)	6	188	-	(1,876)	(2,153)	(277)
<b>Total (Surplus)/ Deficit</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>(35)</b>
<b>General Reserve Balance b/fwd</b>	<b>(1,161)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>-</b>
<b>General Reserve Balance c/fwd</b>	<b>(1,126)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,126)</b>	<b>(1,161)</b>	<b>(35)</b>

**TAY ROAD BRIDGE JOINT BOARD  
MANAGEMENT COMMENTARY**

The following two charts show how the total 2019/2020 expenditure of the Board is apportioned. Figure 1 shows the split by the nature of expenditure, for example, staff cost, property costs, etc. and Figure 2 shows the proportion of expenditure by operational segment.

Figure 1: 2019/2020 Net Cost of Services by Nature:

Figure 2: 2019/2020 Net Cost of Services by Segment:



**Administration (Underspend £9,000)**

This reflects lower than anticipated expenditure in relation to training and medical expenditure. Additionally, expenditure on repairs and maintenance was lower as major improvements are now underway on the administration building, and insurance premiums were lower than anticipated due to the re-negotiation process. These were offset by an increase in charges for police services.

**Operations (Underspend £9,000)**

This reflects lower than anticipated expenditure in relation to protective clothing and uniforms, as well as there being no requirement to purchase office furniture and the volume of vehicle recoveries were less than anticipated.

**Plant & Equipment (Underspend £60,000)**

This reflects savings resulting from reduced expenditure on Cathodic Protection equipment maintenance and professional fees as there will be a major replacement programme in the next few years and any work required during the year was carried out in-house. There were further underspends in relation to the hire of a safety boat as there was no requirement for this outside the normal six month contract period. Additionally, there was reduced expenditure in relation to maintenance of the traffic signs as the majority of these were installed recently and maintenance was covered by a new contract supplied with the installation. Also there were savings in relation to Electricity costs for lighting on the bridge due to more efficient LED lighting.

These were partly offset by increased expenditure on the weather monitoring IT software licence.

**Bridge Maintenance (Underspend £47,000)**

Reflects lower than anticipated expenditure in relation to staff overtime not required, training costs, ground maintenance work at the Dundee and Fife Landfall areas, lower electricity costs for lighting at Fife Car Park due to more efficient LED lighting, de-icing materials and roadway materials due to the mild winter, and external consultant inspections and reports as a result of more inspections being undertaken in-house. In addition, expenditure on plant hire and materials was lower than anticipated. These were partly offset by increased expenditure on Structural Inspections.

**Financing and Investment Income and Expenditure (Underspend £3,000)**

Reflects higher than anticipated Interest on Revenue Balances as a result of larger than anticipated average cash balances and interest rate.

**TAY ROAD BRIDGE JOINT BOARD  
MANAGEMENT COMMENTARY**

*Non-Specific Grant Income (Reduced Grant Income £375,000)*

Reflects the net underspend on other budget heads, as detailed above. Also, Capital Grant Unapplied of £0.184m will require to be repaid to Transport Scotland.

*Other Accounting Adjustments (Underspend £282,000)*

Mainly reflects the repayment of Capital Grants Unapplied to Transport Scotland of £0.184m and net underspends of £0.93m on Capital Funded from Current Revenue (CFCR) projects.

**Capital Expenditure and Financing**

The Board, at its meeting on 3 December 2018, approved the 2019/2020 Capital Plan of £1,795,000. This would be funded from Capital Grants, Capital Grants Unapplied and CFR.

The Board received quarterly Capital Monitoring reports during 2019/2020 in order to keep the members fully apprised as to the projected capital outturn position. Actual gross capital expenditure for the year was £712,000. The following table compares the actual outturn position with budget for capital expenditure and the associated funding. The underspend against the original capital budget was due to slippage across a range of projects:-

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital Expenditure:</b>			
New Vehicles	30	48	18
Carriageway Resurfacing	200	10	(190)
Cathodic Protection Hardware	250	-	(250)
Inspection of Piers and Columns	300	78	(222)
Cathodic Protection Monitoring Equipment	-	124	124
Replacement of Expansion Joints	25	28	3
New Gantries	100	-	(100)
Bridge Office Refurbishment	700	263	(437)
New Switch Gear	-	34	34
LED Lighting to Bridge and Fife Car Park	40	70	30
Other Projects	150	57	(93)
	<b>1,795</b>	<b>712</b>	<b>(1,083)</b>

**Capital expenditure was funded as follows:**

	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital Grant from the Scottish Government	1,645	649	(996)
CFCR	150	57	(93)
Capital Receipts	-	6	6
	<b>1,795</b>	<b>712</b>	<b>(1,083)</b>

**Control of Revenue and Capital Expenditure**

The control of both the revenue and capital expenditure of the Board is an on-going 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 the 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 £964,000 as at 31 March 2020. The estimated net pension liability at 31 March 2019 was £809,000. The increase was due to an decrease in the value of assets as a result of estimates being corrected as a result of experience, partly offset by an decrease in the value of liabilities arising from changes in financial and demographic assumptions.

**PRINCIPAL RISKS AND UNCERTAINTIES**

As part of the ongoing management of risk, senior officers conduct an annual review of strategic risk management issues which are reported to the Board. The updated Strategic Risk Register details the key risks faced by the Board and the existing controls in place. These are summarised as follows:

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

- Legislative changes e.g. Health and Safety, environmental, procurement. The Board maintains awareness of changes to legislation and amends policies and procedures timeously.
- Effects of changes to the economy impacting grant funding. The Board maintains financial planning, monitoring and control systems.
- Loss of structure / operational capacity through ship impact, etc. The Board has Insurance cover, has provided a pier protection system at navigation spans and maintains security through CCTV and 24 hour site attendance. In addition, Dundee Port Authority has controls and procedures governing navigation of vessels on the river.
- Loss of operational capacity through loss of bridge / buildings. The Board maintains a regular inspection programme and maintenance of assets.
- Losses through poor governance. The Board continues to review and apply recognised good governance policies.
- Failure to deliver projects to time and / or cost. The Board adopts robust project management procedures.
- Lack of financial resources. The Board's submission of applications for grant income includes robust estimates as back up. There is regular monitoring and control of expenditure against agreed budgets. Reserves are reviewed and maintained at prudent levels.
- Lack of staff resources, e.g. from pandemic, industrial action, recruitment issues. The Board maintains and reviews it's Business Continuity Plans, consults with staff and trade unions on employment matters, manages staff absences, plans recruitment requirements in advance, and maintains a programme of staff training.

### FUTURE DEVELOPMENTS

The Board recognises the impact of continuing financial pressures created by the current economic climate and as a consequence it continues to seek to generate efficiencies and utilise limited resources in an effective manner.

### CONCLUSIONS

Sound financial management and effective risk management have enabled the Board to successfully manage its financial and operational performance during 2019/2020. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

### Acknowledgements

During the 2019/2020 financial year the Board's financial position has required continuous scrutiny and strict budgetary control. We would like to thank the Bridge Engineer and the Bridge staff for their assistance in controlling the Board's expenditure and income. In addition, we wish to mention our appreciation of the help and co-operation provided during the financial year by the elected members and by Roger Mennie, Clerk to the Board.

Finally, we would conclude our report by thanking all staff who contributed to the preparation of the Board's 2019/2020 Annual Accounts.



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**Gregory Colgan,**  
**BAcc (Hons), ACMA, CGMA**

**Treasurer**  
**Tay Road Bridge**  
**Joint Board**  
**14 September 2020**



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**Alan Hutchison,**  
**BEng (Hons), MSc,**  
**CEng, FICE, MCIHT**

**Bridge Manager**  
**Tay Road Bridge**  
**Joint Board**  
**14 September 2020**



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**Lynne Short**

**Chair**  
**Tay Road Bridge**  
**Joint Board**  
**14 September 2020**

# 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 Joint Board also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

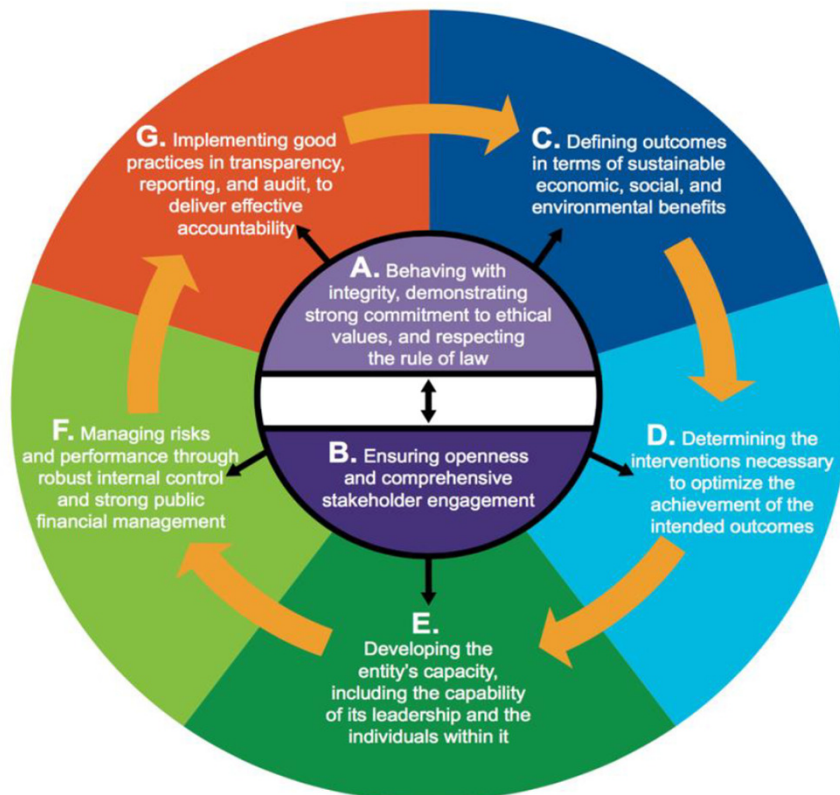
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

During June 2020, the Joint Board approved and adopted an updated Local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives) framework *Delivering Good Governance in Local Government (2016)*. This statement explains how Tay Road Bridge Joint Board delivers good governance and reviews the effectiveness of these arrangements.

## The Joint Board's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Joint Board is directed and controlled. It also describes the way it engages with and accounts to stakeholders. It enables the Joint 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 seven supporting principles of effective corporate governance. These are as follows:



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.



## **TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT**

The overall control arrangements include:

- reporting financial and operational information regularly to Joint 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 under the Public Interest Disclosure Act 1998;
- approved Anti-Bribery Policy;
- formal revenue and capital budgetary control systems and procedures; and
- the assurances provided by Internal Audit through their independent review work of the Joint Board's internal control systems.

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 (2016)* has introduced a "comply or explain" requirement in the Annual Accounts. The Treasurer complies with the principles set out in CIPFA's *Role of the Chief Financial Officer (2016)*.

### **Review of Effectiveness**

Members and officers of the Joint Board are committed to the concept of sound governance and the effective delivery of Joint Board services and take into account comments made by internal and external auditors and prepare action plans as appropriate. The effectiveness of the governance framework is reviewed annually by senior officers. Their review of the Local Code of Corporate Governance, includes the completion of a self-assessment of their own arrangements. This involved the completion of a 94-point checklist covering the seven supporting principles defined in CIPFA/SOLACE's *Delivering Good Governance in Local Government (2016)*. This indicated a high level of compliance.

In addition, as part of the Annual Governance Statement process the Bridge Manager completes a self-assessment checklist of the Board's own governance, risk management and internal control arrangements. This involved the completion of a 55-point checklist covering seven key governance areas of Service Planning and Performance Management; Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; and Partnerships. This again indicated a high level of compliance.

The Joint Board's Internal Audit provider conforms with Public Sector Internal Audit Standards and reports to the Joint Board. Internal Audit undertakes an annual programme of work, which is reported to the Joint Board. The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control. In the opinion of the Joint Board's Internal Auditor, overall the Board operates adequate internal control systems as defined in the Audit Needs Assessment. The audit and assurance work has not identified any significant gaps in the Board's control environment that would increase the risk of financial loss. This opinion was arrived at by taking into consideration the internal audit, risk management and other assurance work that has been undertaken during 2019/2020 and in previous years since the internal auditors original appointment in 2010.

### **Impact of Coronavirus Pandemic on Corporate Governance**

The UK Government announced a lockdown on 23 March 2020 in response to the Covid 19 pandemic. This has had a major impact on the management and operations of the bridge. Management took immediate action to safeguard employees and bridge users. These actions were taken to maintain resilience and ensured bridge availability and the continued safety of employees and bridge users during this challenging and unprecedented time. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis.

The Annual Governance Statement assesses governance in place during 2019/2020 so the majority of the year will be unaffected by coronavirus. The conclusion on whether or not governance is fit for purpose should reflect the normal operations. However, coronavirus has impacted on governance since March 2020 and the Annual Governance Statement has to reflect the circumstances at the time of publication and the impact on governance.

## **TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT**

The impact on governance has affected the Board, for example changes to decision making arrangements whereby the following procedures have been implemented for Board business with immediate effect and until further notice:

- All non-essential Board business has been deferred to ensure that all Board Members and all Officers can concentrate the maximum possible time and effort on supporting the Board through the Coronavirus period;
- Referring to the Board's existing Scheme of Delegation of Powers to Officers in order to ensure that Officers act in accordance with the powers which the Board has already delegated; and
- All essential Board business which is not covered by the Scheme of Delegation of Powers to Officers will be dealt with as urgent matters arising between meetings (i.e. by the Clerk, in consultation with the Chair and Vice-Chair of the Tay Road Bridge Joint Board).

### **Continuous Improvement Agenda**

The Joint Board's progress against the Continuous Improvement Agenda items for 2019/2020 is detailed in Table 1. Several items are still in progress and have been carried forward to be actioned in 2020/2021. Additional areas for improvement have also been identified by Joint Board officers and these are included in Table 2 and form the Continuous Improvement Action Plan for 2020/2021. These were identified in the self-assessment checklists that were completed as part of the Joint Board's assurance gathering process and also from Internal Audit reviews.

During 2020/2021 steps will be taken to address the outstanding items identified in the Continuous Improvement Agenda to further enhance the Joint 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 Joint Board complies with the Local Code of Corporate Governance in all significant respects.

*Lynne L Short*

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**Lynne Short**  
**Chair**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

*Alan Hutchison*

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**Alan Hutchison, BEng (Hons), MSc, CEng,**  
**FICE, MCIHT. Bridge Manager**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

**ANNUAL GOVERNANCE STATEMENT**

**TABLE 1 - IMPROVEMENT AGENDA FOR 2019/2020**

Original Improvement Agenda						Progress Update	
	Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
1	Equalities and Human Rights training for all employees.	A E	2.2 2.4	Bridge Manager	12/12/2019	03/12/2019	All staff have now completed this training.
2	Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/03/2019		In progress. Equate Scotland have been contacted to provide training during 2020. Original training date of 29 June 2020 has been postponed due to Covid 19 crisis. Carried forward to 2020/2021.*
3	Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.	A F	3.4 4.1 & 4.2	Bridge Manager	31/12/2019		In progress. Privacy Statements posted on line for: <ul style="list-style-type: none"> <li>• Employee;</li> <li>• New Employee;</li> <li>• CCTV;</li> <li>• Website;</li> <li>• Subject Access Request and Data Breach Documentation complete and staff made aware; and</li> <li>• Review meeting to be held with DCC data protection compliance officer by June 2020.</li> </ul> Carried forward to 2020/2021.*
4	Review the Board’s website in terms of its quality in delivering information to bridge users and implement improvements.	B D E	2.1, 3.1 & 3.3 1.2 2.5	Bridge Manager	31/03/2020		In progress. New website has been developed to accommodate many comments from members of the public about how we can improve accessibility of information. This will be reviewed by the Board before being rolled out by September 2020. Carried forward to 2020/2021.*
5	Introduce Mental Health awareness initiatives for the workforce.	E	2	Bridge Manager	31/03/2020	25/06/2019	The management team attended a one day course in June 2019, by a Nunavik counsellor “Mental Health awareness” to enable them to adequately recognise and support members of staff going through difficult times.

6	Update Bridge Byelaws.	A	1.4	Clerk / Bridge Manager	31/12/2019		In progress. Revised Byelaws were approved at September 2019 Board meeting. Requires to be published in local press and made available for public inspection for period of one calendar month and then require submission to Scottish Ministers for confirmation. Carried forward to 2020/2021.*
7	Revise Whistle-Blowing Policy.			Bridge Manager	31/03/2020		Outstanding action. Aim for completion by September 2020 Board. Carried forward to 2020/2021.*
8	Develop Anti-Bribery Policy.			Treasurer	31/03/2020	02/12/2019	Approved at December 2019 Board meeting.

\* Carried forward items have been included in Table 2 with new target completion dates.

## ANNUAL GOVERNANCE STATEMENT

**TABLE 2 - IMPROVEMENT AGENDA FOR 2020/2021**

	<b>Improvement</b>	<b>CIPFA / SOLACE Principle</b>	<b>CIPFA / SOLACE Code Reference</b>	<b>Responsible Officer</b>	<b>Target Completion Date</b>	<b>Details</b>
1	Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/12/2020	Carried forward from 2019/2020. In progress.
2	Update Data Protection procedures to ensure compliance with GDPR: Develop Records Management Plan.	A F	3.4 4.1 & 4.2	Bridge Manager	31/12/2020	Carried forward from 2019/2020. In progress.
3	Review the Board's website in terms of its quality in delivering information to bridge users and implement improvements.	B E	3.3 2.5	Bridge Manager	31/12/2020	Carried forward from 2019/2020. In progress.
4	Update Bridge Byelaws.	A	1.4	Clerk / Bridge Manager	31/12/2020	Carried forward from 2019/2020. In progress. Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation.
5	Revise Whistle-Blowing Policy.			Bridge Manager	31/12/2020	Carried forward from 2019/2020. In progress. Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).
6	Hold monthly Management Meetings instead of quarterly to improve control given number of capital and inspection surveys due from 2020.	D	3.3	Bridge Manager	31/12/2020	Source: Local Code of Corporate Governance checklist.
7	Review structure and shift patterns of Operations team to improve staff welfare and service to users.	E	1.1	Bridge Manager	31/03/2021	Source: Local Code of Corporate Governance checklist.
8	Bridge manager development and performance review to be re-established.	E	2.6	Engineer	31/03/2021	Source: Local Code of Corporate Governance checklist.

9	Introduce procedure that allows DCC procurement to approve / challenge bridge officer decisions to waiver tender procedures in order to provide a third party check and balance.	F	5.1	Treasurer	31/12/2020	Source: Local Code of Corporate Governance checklist.
10	Develop checklist to assist in collation and recording of all evidence required to demonstrate compliance with CDM 2015 Regulations.			Bridge Manager	31/12/2020	Source: Internal Audit report 2020/03 Management of Health & Safety.
11	Ensure that a formal programme of reporting of data protection issues to the Joint Board.			Clerk / Bridge Manager	31/12/2020	Source: Internal Audit report 2020/05 Data Protection.
12	Transport and Works Manager and Administration Officer to attend training course on Recruitment and Interviewing to enable the Board to recruit more effectively at all levels.			Bridge Manager	31/03/2021	Source: Annual Governance Self-Assessment Checklist.
13	Review the Board's response to the Covid 19 crisis.			Bridge Manager	31/03/2021	

# TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

## INTRODUCTION

The Board is required to prepare and publish within its Annual Accounts an annual Remuneration Report under the Local Authority Accounts (Scotland) Amendment Regulations 2014. The report sets out the remuneration of the Chair and Vice-Chair and Senior Employees of the Board 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. The following report has been prepared in accordance with the aforementioned Regulations and also in accordance with other relevant guidance.

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 Annual Accounts as to whether the Remuneration Report has been properly prepared in accordance with the Regulations. All of the tables in this report are subject to audit, and the remainder of the report is subject to review.

## REMUNERATION ARRANGEMENTS

### Senior Board Members

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Chair or Vice-Chair of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Chair or Vice-Chair is a member. The Board has an arrangement with each Council which remunerates the Chair and Vice-Chair, to reimburse the Council for the additional costs of that councillor arising from them being a Chair or Vice-Chair of the Board. The disclosures made in this report are limited to the amounts paid to the Council by the Board for remuneration and do not reflect the full value of the remuneration that may be paid to the councillor.

The remuneration details for the Chair and Vice-Chair of Tay Road Bridge Joint Board are set out in Table 1.

### 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 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 2019/2020, with the employee falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 2.

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	No of
	Employees	Employees
	2019/2020	2018/2019
£50,000 - £54,999	0	0
£55,000 - £59,999	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

# TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

## EXIT PACKAGES

There were no exit packages agreed during 2019/2020 (2018/2019: None).

## ACCRUED PENSION BENEFITS

Pension benefits for Local Government Employees are provided through the Local Government Pension Scheme (LGPS). A new Local Government Pension Scheme (Scotland) came into effect on 1 April 2015 based on career average related earnings (CARE Scheme).

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 members' contribution rates for 2019/2020 remain at the 2009/2010 rates although the pay bandings have been adjusted. The tiers and contribution rates are as follows:

Whole Time Pay	Contribution Rate 2019/2020	Whole Time Pay	Contribution Rate 2018/2019
On earnings up to and including £21,800	5.50%	up to and including £21,300	5.50%
On earnings above £21,800 and up to £26,700	7.25%	above £21,300 and up to £26,100	7.25%
On earnings above £26,700 and up to £36,600	8.50%	above £26,100 and up to £35,700	8.50%
On earnings above £36,600 and up to £48,800	9.50%	above £35,700 and up to £47,600	9.50%
On earnings above £48,800	12%	above £47,600	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 1/49th of average pensionable salary and years of pensionable service. Prior to 2015 the accrual rate guaranteed a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

## Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 3, 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 2019/2020, the scheme member contribution rate for Senior Employees of the Board was 7.9% of pensionable pay (2018/2019: 7.8%). In 2019/2020, the employer contribution rate was 17% of pensionable pay for Senior Employees (2018/2019: 17%).

*Lynne K Short*

*Alan Hutchison*

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**Lynne Short**  
Chair  
Tay Road Bridge Joint Board  
14 September 2020

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**Alan Hutchison, BEng (Hons), MSc, CEng,**  
FICE, MCIHT. Bridge Manager  
Tay Road Bridge Joint Board  
14 September 2020



**TABLE 1 – REMUNERATION OF COUNCILLORS WHO ARE CHAIR AND VICE-CHAIR OF TAY ROAD BRIDGE JOINT BOARD**

<b>Councillor Name</b>	<b>Responsibility</b>	<b>Salary, Fees &amp; Allowances</b>	<b>Taxable Expenses</b>	<b>Total Remuneration 2019/2020</b>	<b>Total Remuneration 2018/2019</b>
		£	£	£	£
Lynne Short	Chair, Tay Road Bridge Joint Board (from 17 June 2019)	1,640	-	1,640	-
Jonny Tepp	Vice-Chair, Tay Road Bridge Joint Board	3,270	17	3,287	3,211
Stewart Hunter	Chair, Tay Road Bridge Joint Board (to 17 June 2019)	-	-	-	1,646
		-	-	-	0
<b>Total</b>		<b>4,910</b>	<b>17</b>	<b>4,927</b>	<b>4,857</b>

**TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES**

<b>Employee Name</b>	<b>Post Title</b>	<b>Salary, Fees &amp; Allowances</b>	<b>Total Remuneration 2019/2020</b>	<b>Total Remuneration 2018/2019</b>
		£	£	£
Alan Hutchison	Bridge Manager	57,615	57,615	55,937
<b>Total</b>		<b>57,615</b>	<b>57,615</b>	<b>55,937</b>

**TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS**

<b>Employee Name</b>	<b>Post Title</b>	<b>Pension as at 31 March 2020</b>	<b>Pension Difference from 31 March 2019</b>	<b>Lump Sum as at 31 March 2020</b>	<b>Lump Sum Difference from 31 March 2019</b>	<b>Pension Contribution 2019/2020</b>	<b>Pension Contribution 2018/2019</b>
		£000	£000	£000	£000	£000	£000
Alan Hutchison	Bridge Manager	15	2	9	-	10	10
<b>Total</b>		<b>15</b>	<b>2</b>	<b>9</b>	<b>-</b>	<b>10</b>	<b>10</b>

# **TAY ROAD BRIDGE JOINT BOARD**

## **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

### **The Board's responsibilities**

The 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 (section 95 of the Local Government (Scotland) Act 1973). In this Board, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Audited Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Joint Board at its meeting on 14 September 2020.

Signed on behalf of Tay Road Bridge Joint Board

*Lynne R Short*

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**Lynne Short**  
**Chair**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

### **The Treasurer's responsibilities**

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

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Code of Practice (in so far as it is compatible with legislation).

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.

I certify that the Annual Accounts give a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2020.



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**Gregory Colgan, BAcc (Hons), ACMA, CGMA**  
**Treasurer**  
**Tay Road Bridge Joint Board**  
**14 September 2020**

## TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Board (i.e. government grants) for the year has been used in providing services in comparison with those resources consumed or earned by the Board in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Board's operational divisions. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2018/2019			2019/2020		
Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000	Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
<b>Expenditure</b>					
428	6	434	441	10	451
483	69	552	492	73	565
193	-	193	200	-	200
343	42	385	365	44	409
-	1,948	1,948	-	2,254	2,254
<b>1,447</b>	<b>2,065</b>	<b>3,512</b>	<b>1,498</b>	<b>2,381</b>	<b>3,879</b>
(1,447)	535	(912)	(1,498)	(37)	(1,535)
<b>-</b>	<b>2,600</b>	<b>2,600</b>	<b>-</b>	<b>2,344</b>	<b>2,344</b>
1,161			1,161		
<b>-</b>			<b>-</b>		
<b>1,161</b>			<b>1,161</b>		

## TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

### ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS

This note provides a reconciliation of the main adjustments to Net Expenditure Chargeable to the General Reserve to arrive at the amounts in the Comprehensive Income and Expenditure Statement (CIES). The relevant transfers between reserves are explained in the Movement in Reserves Statement.

2019/2020

<b>Adjustments from General Reserve to arrive at Comprehensive Income &amp; Expenditure Statement Amounts</b>	<b>Adjustments between Funding &amp; Accounting Basis</b>			
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the</b>		
		<b>Pensions Adjustment</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<i>Explanatory Notes:</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Administration	-	15	-	15
Operations	-	73	-	73
Plant & Equipment	-	-	-	-
Bridge Maintenance	-	44	-	44
Corporate Costs	2,215	39	-	2,254
<b>Net Cost of Services</b>	<b>2,215</b>	<b>171</b>	<b>-</b>	<b>2,386</b>
<b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>	<b>(67)</b>	<b>20</b>	<b>5</b>	<b>(42)</b>
<b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>2,148</b>	<b>191</b>	<b>5</b>	<b>2,344</b>

2018/2019

<b>Adjustments from General Reserve to arrive at Comprehensive Income &amp; Expenditure Statement Amounts</b>	<b>Adjustments between Funding &amp; Accounting Basis</b>			
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the</b>		
		<b>Pensions Adjustment</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
		<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<i>Explanatory Notes:</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Administration	-	6	-	6
Operations	-	69	-	69
Plant & Equipment	-	-	-	-
Bridge Maintenance	-	42	-	42
Corporate Costs	1,948	-	-	1,948
<b>Net Cost of Services</b>	<b>1,948</b>	<b>117</b>	<b>-</b>	<b>2,065</b>
<b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>	<b>514</b>	<b>23</b>	<b>(2)</b>	<b>535</b>
<b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>2,462</b>	<b>140</b>	<b>(2)</b>	<b>2,600</b>

## TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

### Explanatory Notes:

- 1) Adjustments for capital purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line and for:
  - a) Other operating expenditure - adjustments for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
  - b) Financing and investment income and expenditure - the statutory charges for capital financing i.e. loan repayments and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
  - c) Taxation and non-specific grant income and expenditure - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- 2) Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
  - a) For services this represents the removal of the employer pension contributions made by the Board as allowed by statute and the replacement with current service costs and past service costs.
  - b) For Financing and investment income and expenditure - the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.
- 3) Other differences between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable /receivable to be recognised under statute:
  - a) For services this represents the inclusion of a charge for short-term accumulating compensating absences, mainly relating to accrued annual leave entitlement. Allocations of insurance costs and impairment allowances on trade debtors have been included.

### EXPENDITURE AND INCOME ANALYSED BY NATURE

The Board's expenditure and income is analysed as follows:

	2018/2019	2019/2020
	Net	Net
<b>Expenditure:</b>	Expenditure /	Expenditure /
	(Income)	(Income)
	£000	£000
Staff Costs	1,058	1,085
Property Costs	80	76
Supplies & Services	298	310
Transport Costs	30	32
Third Party Payments	98	122
Corporate Costs	1,948	2,254
<b>Total Expenditure</b>	<b>3,512</b>	<b>3,879</b>
<b>Income:</b>		
Fees, Charges & Other Service Income	(26)	(7)
Interest & Investment Income	(14)	(15)
Government Grants & Contributions	(872)	(1,513)
<b>Total Income</b>	<b>(912)</b>	<b>(1,535)</b>
<b>(Surplus) or Deficit on Provision of Services</b>	<b>2,600</b>	<b>2,344</b>

## TAY ROAD BRIDGE JOINT BOARD COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2018/2019			2019/2020			
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
						<b>Expenditure</b>
434	-	434	460	451	-	451
552	-	552	574	565	-	565
193	-	193	260	200	-	200
385	-	385	456	409	-	409
1,948	-	1,948	2,254	2,254	-	2,254
<b>3,512</b>	<b>-</b>	<b>3,512</b>	<b>4,004</b>	<b>3,879</b>	<b>-</b>	<b>3,879</b>
						<b>Net Cost Of Services</b>
-	(26)	(26)	(7)	-	(7)	(7)
						Other Operating Income & Expenditure (note 6)
23	(37)	(14)	(12)	20	(35)	(15)
						Financing and Investment Income and Expenditure (note 7)
-	(872)	(872)	(1,888)	-	(1,513)	(1,513)
						Non-Specific Grant Income (note 8)
<b>3,535</b>	<b>(935)</b>	<b>2,600</b>	<b>2,097</b>	<b>3,899</b>	<b>(1,555)</b>	<b>2,344</b>
						<b>Net Deficit on Provision of Services</b>
-	-	-	-	-	-	-
						Net deficit on revaluation of PPE
-	(172)	(172)	(36)	-	(36)	(36)
						Actuarial (Gains) / Losses on Pension Assets / Liabilities
-	(172)	(172)	(36)	-	(36)	(36)
						<b>Other Comprehensive Income and Expenditure</b>
<b>3,535</b>	<b>(1,107)</b>	<b>2,428</b>	<b>2,061</b>	<b>3,899</b>	<b>(1,591)</b>	<b>2,308</b>
						<b>Total Comprehensive Income and Expenditure</b>

## TAY ROAD BRIDGE JOINT BOARD MOVEMENT IN RESERVES STATEMENT

The Movement on Reserves Statement shows the movement from the start of the year to the end 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 Statement shows how the movements in year of the Board's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices. The Net Increase / (Decrease) line shows the statutory General Reserve Balance movements in the year following those adjustments.

	<b>Revenue Reserves</b>	<b>Capital Reserves</b>			
	General Fund Balance £000	Capital Grants Unapplied Account £000	<b>Total Usable Reserves £000</b>	Unusable Reserves £000	<b>Total Board Reserves £000</b>
<b>Balance at 31 March 2018</b>	<b>(1,161)</b>	<b>(1,547)</b>	<b>(2,708)</b>	<b>(68,312)</b>	<b>(71,020)</b>
<b><u>Movement in Reserves during 2018/2019</u></b>					
<b>Total Comprehensive Expenditure and Income</b>	<b>2,600</b>	<b>-</b>	<b>2,600</b>	<b>(172)</b>	<b>2,428</b>
Adjustments between accounting basis & funding basis under regulations (note 5)	(2,600)	902	(1,698)	1,698	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>902</b>	<b>902</b>	<b>1,526</b>	<b>2,428</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
<b>(Increase) / Decrease in 2018/2019</b>	<b>-</b>	<b>902</b>	<b>902</b>	<b>1,526</b>	<b>2,428</b>
<b>Balance at 31 March 2019 carried forward</b>	<b>(1,161)</b>	<b>(645)</b>	<b>(1,806)</b>	<b>(66,786)</b>	<b>(68,592)</b>
<b>Total Comprehensive Expenditure and Income</b>	<b>2,344</b>	<b>-</b>	<b>2,344</b>	<b>(36)</b>	<b>2,308</b>
Adjustments between accounting basis & funding basis under regulations (note 5)	(2,344)	645	(1,699)	1,699	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>645</b>	<b>645</b>	<b>1,663</b>	<b>2,308</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-	-
<b>(Increase) / Decrease in Year</b>	<b>-</b>	<b>645</b>	<b>645</b>	<b>1,663</b>	<b>2,308</b>
<b>Balance at 31 March 2020 carried forward</b>	<b>(1,161)</b>	<b>-</b>	<b>(1,161)</b>	<b>(65,123)</b>	<b>(66,284)</b>

## 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 are 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 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'.

31 March 2019		Note	31 March 2020
£000			£000
67,597	Property, Plant & Equipment	20	66,089
71	Investment Property	19	71
<b>67,668</b>	<b>Total Long Term Assets</b>		<b>66,160</b>
56	Inventories	22	56
38	Short Term Debtors	23	171
4,406	Cash and Cash Equivalents	13	1,333
<b>4,500</b>	<b>Total Current Assets</b>		<b>1,560</b>
(2,767)	Short Term Creditors	24	(472)
<b>(2,767)</b>	<b>Total Current Liabilities</b>		<b>(472)</b>
(809)	Net Pension Liabilities	15	(964)
<b>(809)</b>	<b>Total Long Term Liabilities</b>		<b>(964)</b>
<b>68,592</b>	<b>Net Assets</b>		<b>66,284</b>
1,806	Usable reserves	9	1,161
66,786	Unusable Reserves	10	65,123
<b>68,592</b>	<b>Total Reserves</b>		<b>66,284</b>



**Gregory Colgan, BAcc (Hons), ACMA, CGMA**  
Treasurer  
Tay Road Bridge Joint Board

The unaudited accounts were issued on 11 June 2020 and the audited accounts were authorised for issue on 14 September 2020.



## 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.

<b>2018/2019</b>		<b>2019/2020</b>
<b>£000</b>		<b>£000</b>
1,234	Net deficit on the provision of services	2,344
(2,040)	Adjust net surplus or deficit on the provision of services for non cash movements	259
704	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	175
<b>(102)</b>	<b>Net cash flows from Operating Activities</b>	<b>2,778</b>
(405)	Investing Activities (note 11)	327
(17)	Financing Activities (note 12)	(32)
<b>(524)</b>	<b>Net (Increase) in cash and cash equivalents</b>	<b>3,073</b>
3,882	Cash and cash equivalents at the beginning of the reporting period	4,406
<b>4,406</b>	<b>Cash and cash equivalents at the end of the reporting period (note 13)</b>	<b>1,333</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

## **1 ACCOUNTING POLICIES**

### **A General Principles**

The Annual Accounts summarise the Board's transactions for the 2019/2020 financial year and its position at the year-end of 31 March 2020. The Board is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/2020 and the Service Reporting Code of Practice 2019/2020, and International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounting convention adopted in the Annual 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 contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- 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 debts may not 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 Prior Period 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 and it is material to the financial statements, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. 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.

### **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 non-current assets during the year:

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

**TAY ROAD BRIDGE JOINT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

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 for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### 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 in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to the Corporate Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Board can no longer withdraw the offer of those benefits or when the Board recognises costs for a restructuring. 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 pension enhancement termination 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.

### Post Employment Benefits

Employees of the Board are members of a separate pension scheme being the Local Government Pension Scheme (Tayside Pension 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 Pension 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 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 Pension Fund attributable to the Board are included in the Balance Sheet at their fair value:
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
  - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to relevant operating areas;

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

- past service cost – the increase in liabilities arising as a result of a scheme amendment or curtailment the effect of which relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Corporate Costs; and
- net interest on the defined benefit liability / (asset), i.e. net interest expense for the Board – the change during the period in the net defined benefit liability / (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability / (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
  - the return on plan assets – excluding amounts included in the net interest on the net defined benefit liability / (asset) – charged to the Pension Reserve as Other Comprehensive Income and Expenditure; and
  - 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 – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the Tayside Pension 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 transfers 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 Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are 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 Annual Accounts are adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are 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 Annual Accounts.

**TAY ROAD BRIDGE JOINT BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

## **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 in the form of 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 to fund capital expenditure.

## **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.

## **J Inventories and Long Term Contracts**

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. Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**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, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are re-valued 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 and Expenditure 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 currently has no assets acquired under finance leases or leased to third parties on finance lease. The Board currently has no assets acquired under operating leases. Accounting policies for operating leases where the Board is a lessor are set out below.

The Board as Lessor

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; and

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- 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.

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

- infrastructure and vehicles, plant & equipment – 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 current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value. Assets included in the Balance Sheet at current value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current 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 would 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.

#### Assets Held for Sale / 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 re-valued 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.

## **TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS**

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. Receipts are 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 30 years.
- infrastructure – straight-line allocation up to 120 years.

Depreciable assets are not depreciated in the year of purchase, but are depreciated in the year of disposal.

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 Reserves**

Reserves are created by transferring 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 expenditure line in that year to count against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred 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, retirement and employee benefits and these reserves do not represent usable resources for the Board. Further information on the Board's reserves is contained in notes 9 and 10.

### **O 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.

### **P FAIR VALUE MEASUREMENT**

The Board measures some of its non-financial assets as investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability; or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.



## **TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS**

The Board measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the Board takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling to another market participant that would use the asset in its highest and best use.

The Board uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Board's financial statements are categorised within the fair value hierarchy as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the Board can access at the measurement date;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; or
- Level 3 - unobservable inputs for the asset or liability.

The Board's investment properties are measured using the income approach, by means of a discounted cash flow method, where the expected cash flows from the properties are discounted (using a market derived discount rate) to establish the present value of the net income stream. The approach has been developed using the Board's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The Board's investment properties are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

### **2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

The deferral of implementation of IFRS 16 Leases to the 2021/2022 Code of Practice has meant that the 2020/2021 Code has not yet completed its full due process. Subject to formal approval, the following accounting changes will be introduced in the 2020/2021 Code of Practice:

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

The Board will be required to reflect these changes, as necessary, in its 2020/2021 Annual Accounts. It is not anticipated that these accounting changes will have a significant impact on the Board.

### **3 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 Annual Accounts relates to the high degree of uncertainty about future levels of funding for public bodies, especially in light of the financial impact of the Covid 19 pandemic. 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 or affect the underlying assumption of the Board's Going Concern basis.

### **4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION**

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.

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

The items in the Board's Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

*Material Valuation Uncertainty*

With regard to the annual asset valuations carried out for Tay Road Bridge Joint Board, Dundee City Council's internal RICS Regulated Members have concluded that there is material uncertainty covering the period over which the valuations have been carried out and have therefore applied the following notification (as recommended by RICS).

"The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we (the RICS regulated members) consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations reported herein, under frequent review."

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
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.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £3,240 for every year that useful lives had to be reduced.
Pension 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.	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. However, the assumptions interact in complex ways. During 2019/2020, the Board's actuaries advised that the net pensions assets had decreased by £920,000 as a result of a reduction of the return on assets less interest and net pension liabilities had reduced by £763,000 attributable to updating of the assumptions.

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

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**5 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.

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u> <u>Capital</u> <u>Grants</u>	<u>Movement</u> <u>in</u> <u>Unusable</u> <u>Reserves</u>	<u>Total</u> <u>2019/2020</u>
<u>2019/2020</u>	<u>General</u> <u>Fund</u> <u>Balance</u> <u>£000</u>	<u>Capital</u> <u>Receipts</u> <u>Reserve</u> <u>£000</u>	<u>Unapplied</u> <u>Account</u> <u>£000</u>	<u>£000</u>	<u>£000</u>
<b>Adjustments involving the Capital Adjustment Account:</b>					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(2,215)	-	-	2,215	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	4	-	-	(4)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	57	-	-	(57)	-
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	6	(6)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	6	-	(6)	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	645	(645)	-
<b>Adjustments involving the Pensions Reserve:</b>					
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)	(325)	-	-	325	-
Employer's pensions contributions and direct payments to pensioners payable in the year	134	-	-	(134)	-
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</b>					
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	(5)	-	-	5	-
<b>Total Adjustments</b>	<b>(2,344)</b>	<b>-</b>	<b>645</b>	<b>1,699</b>	<b>-</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>		
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Movement in Unusable Reserves	Total 2018/2019
<b>2018/2019</b>	£000	£000	£000	£000	£000
<b>Adjustments involving the Capital Adjustment Account:</b>					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(1,948)	-	-	1,948	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	(616)	-	-	616	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	90	-	-	(90)	-
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12	(12)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	12	-	(12)	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	902	(902)	-
<b>Adjustments involving the Pensions Reserve:</b>					
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)	(270)	-	-	270	-
Employer's pensions contributions and direct payments to pensioners payable in the year	130	-	-	(130)	-
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>					
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)	-
<b>Total Adjustments</b>	<b>(2,600)</b>	<b>-</b>	<b>902</b>	<b>1,698</b>	<b>-</b>

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**6 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - OTHER OPERATING INCOME AND EXPENDITURE**

<u>2018/2019</u>		<u>2019/2020</u>
<u>£000</u>		<u>£000</u>
(14)	Miscellaneous Income	(1)
(12)	(Gains) / Losses on the disposal of non current assets	(6)
<u>(26)</u>	<b>Total</b>	<u>(7)</u>

**7 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE**

<u>2018/2019</u>		<u>2019/2020</u>
<u>£000</u>		<u>£000</u>
23	Net interest on the defined benefit liability (asset)	20
(32)	Interest receivable and similar income	(27)
(5)	Net Income & Expenditure on investment properties	(8)
<u>(14)</u>	<b>Total</b>	<u>(15)</u>

**8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME**

<u>2018/2019</u>		<u>2019/2020</u>
<u>£000</u>		<u>£000</u>
(1,488)	Non-ring fenced government grants	(1,509)
(750)	Capital grants and contributions	(188)
1,366	Repayment of Capital grants and contributions	184
<u>(872)</u>	<b>Total</b>	<u>(1,513)</u>

**9 BALANCE SHEET - USABLE RESERVES**

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and note 5.

**10 BALANCE SHEET - UNUSABLE RESERVES**

<u>31 March 2019</u>		<u>31 March 2020</u>
<u>£000</u>		<u>£000</u>
762	Revaluation Reserve	762
66,833	Capital Adjustment Account	65,330
(809)	Pensions Reserve	(964)
-	Accumulating Compensated Absences Adjustment Account	(5)
<u>66,786</u>	<b>Total Unusable Reserves</b>	<u>65,123</u>

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.

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

<b>2018/2019</b>		<b>2019/2020</b>
<u>£000</u>		<u>£000</u>
<b>762</b>	<b>Balance at 1 April</b>	<b>762</b>
-	Upward Revaluation of assets	-
-	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-
-	Accumulated gains on assets sold or scrapped	-
-	Amount written off to the Capital Adjustment Account	-
<u><b>762</b></u>	<b>Balance at 31 March</b>	<u><b>762</b></u>

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 5 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

<b>2018/2019</b>		<b>2019/2020</b>
<u>£000</u>		<u>£000</u>
<b>68,392</b>	<b>Balance at 1 April</b>	<b>66,833</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(1,948)	• Charges for depreciation and impairment of non current assets	(2,215)
-	• Revaluation losses on Property, Plant & Equipment	-
<u>(1,948)</u>	<b>Net written out amount of the cost of non current assets consumed in the year</b>	<u>(2,215)</u>
	Capital financing applied in the year:	
12	• Use of the Capital Receipts Reserve to finance new capital expenditure	6
287	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	649
90	• Capital expenditure charged against the General Reserve	57
<u><b>389</b></u>	<b>Total Capital Financing Applied during the year</b>	<u><b>712</b></u>
<u><b>66,833</b></u>	<b>Balance at 31 March</b>	<u><b>65,330</b></u>

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

### 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.

2018/2019 £000		2019/2020 £000
(841)	<b>Balance at 1 April</b>	(809)
172	Re-measurements of the net defined benefit liability / (asset)	36
(270)	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	(325)
130	Employer's pensions contributions and direct payments to pensioners payable in the year	134
(809)	<b>Balance at 31 March</b>	(964)

### 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.

2018/2019 £000		2019/2020 £000
(2)	<b>Balance at 1 April</b>	-
2	Settlement or cancellation of accrual made at the end of the preceding year	-
-	Amounts accrued at the end of the current year	(5)
2	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	(5)
-	<b>Balance at 31 March</b>	(5)

## 11 CASH FLOW STATEMENT - INVESTING ACTIVITIES

2018/2019 £000		2019/2020 £000
357	Purchase of property, plant and equipment, investment property and intangible assets	527
(12)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(12)
(750)	Other receipts from investing activities	(188)
(405)	<b>Net cash flows from investing activities</b>	327

**TAY ROAD BRIDGE JOINT BOARD  
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**12 CASH FLOW STATEMENT - FINANCING ACTIVITIES**

<b>2018/2019</b>		<b>2019/2020</b>
<u>£000</u>		<u>£000</u>
(17)	Other receipts from financing activities	(32)
<u>(17)</u>	<b>Net cash flows from financing activities</b>	<u>(32)</u>

**13 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS**

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

<b>31 March 2019</b>		<b>31 March 2020</b>
<u>£000</u>		<u>£000</u>
4,406	Bank current account	1,333
<u>4,406</u>	<b>Total cash and cash equivalents</b>	<u>1,333</u>

**14 EXTERNAL AUDIT COSTS**

The Board has incurred the following costs in relation to the audit of the Annual Accounts provided by the Board's external auditors:

	<b>2018/2019</b>	<b>2019/2020</b>
	<u>£000</u>	<u>£000</u>
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	12	13
<b>Total</b>	<u>12</u>	<u>13</u>



## **TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS**

### **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 Pension 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 pension liabilities with investment assets. The Scheme currently provides benefits based on career average revalued salary and length of service on retirement.
- The Board also has liabilities for any discretionary pension payments outside the main scheme. These benefits are an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. There are no investment assets built up to meet the pension liabilities for discretionary awards, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The Tayside Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme (Scotland) regulations 2008 and the governance of the scheme is the responsibility of the Pensions Investment Sub-Committee of the Policy and Resources Committee of Dundee City Council. Policy is determined in accordance with the Pension Fund Regulations. The investment managers of the fund are appointed by the Sub-Committee.

The principal risks to the Board of the scheme are the life expectancy assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals of members from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the Cost of Services the amounts required by statute as described in the accounting policies note (please refer to Note 1 item F for further details).

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

### 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 reserves 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:

		<b>Local Government Pension Scheme</b>	
		<b>2018/2019</b>	<b>2019/2020</b>
		<b>£000</b>	<b>£000</b>
<b>Comprehensive Income and Expenditure Statement:</b>			
<i>Cost of Services:</i>			
• current service cost		247	266
• past service cost		-	39
• curtailment		-	-
<i>Financing and Investment Income and Expenditure</i>			
• net interest on the defined liability (asset)		19	17
• administration expenses		4	3
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>		<b>270</b>	<b>325</b>
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>			
Re-measurement of the net defined benefit liability comprising:			
• Return on plan assets (excluding amount included in the net interest expense)		(193)	727
• Other actuarial gains / (losses) on assets		-	-
• Actuarial gains and losses arising on changes in demographic assumptions		(362)	-
• Actuarial gains and losses arising on changes in financial assumptions		383	(763)
• Other (if applicable)		-	-
<b>Total Re-measurements</b>		<b>(172)</b>	<b>(36)</b>
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>		<b>98</b>	<b>289</b>
<b>Movement in Reserves Statement:</b>			
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code		(270)	(325)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>			
• employers' contributions payable to scheme		130	134

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

### Pension assets and liabilities recognised in the Balance Sheet

	Local Government Pension Scheme		
	Restated		
	2017/2018	2018/2019	2019/2020
	£000	£000	£000
Net pension liabilities as at March:			
Present value of funded obligation	9,688	9,836	9,314
Fair value of scheme assets	(9,208)	(9,381)	(8,673)
<b>Net liability</b>	<b>480</b>	<b>455</b>	<b>641</b>
Present value of unfunded obligation	361	354	323
<b>Net liability arising from defined benefit obligation</b>	<b>841</b>	<b>809</b>	<b>964</b>

### 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	
	2018/2019	2019/2020
	£000	£000
Opening balance at 1 April	10,049	10,190
Current service cost	247	266
Interest cost	251	240
Contributions by scheme participants	42	44
<i>Re-measurement (gains) and losses:</i>		
o change in financial assumptions	383	(763)
o change in demographic assumptions	(362)	-
Experience gain on defined benefit obligation	-	-
Benefits paid	(420)	(379)
Past service costs, including curtailments	-	39
<b>Closing balance at 31 March</b>	<b>10,190</b>	<b>9,637</b>

### Reconciliation of fair value of the scheme assets:

	Local Government Pension Scheme	
	2018/2019	2019/2020
	£000	£000
Opening balance at 1 April	9,208	9,381
Interest income on assets	232	223
Re-measurement gain: return on assets less interest	193	(727)
Other re-measurement gain	-	-
Administration expenses	(4)	(3)
Employer contributions	130	134
Contributions by scheme participants	42	44
Benefits paid	(420)	(379)
<b>Closing balance at 31 March</b>	<b>9,381</b>	<b>8,673</b>

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 / (loss) on scheme assets in the year was £(504,000) ( 2018/2019: Return of £425,000).

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The liabilities show the underlying commitments that the Board has in the long run to pay post employment (retirement) benefits. The total liability of £0.964m 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.

### 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 Pension 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 2017.

The principal assumptions used by the actuary have been:

	<b>Local Government Pension Scheme</b>	
	<b>2018/2019</b>	<b>2019/2020</b>
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	19.6	19.7
Women	21.6	21.7
Longevity at 65 for future pensioners (years):		
Men	21.3	21.4
Women	23.4	23.5
Rate of inflation (RPI)	3.45%	2.80%
Rate of inflation (CPI)	2.45%	1.90%
Rate of increase in salaries	3.45%	2.90%
Rate of increase in pensions	2.45%	1.90%
Rate of discounting scheme liabilities	2.40%	2.35%

The estimate of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that the life expectancy increase or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analyses have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the defined benefit obligation in the Scheme:

	<b>Local Government Pension Scheme</b>		
	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>+0.1%</b>	<b>0%</b>	<b>-0.1%</b>
Adjustment to discount rate:			
o Present value of total obligation	9,480	9,637	9,797
o Projected service cost	235	240	246
Adjustment to long term salary increase:			
o Present value of total obligation	9,647	9,637	9,628
o Projected service cost	240	240	240
Adjustment to pension increases and deferred re-valuation:			
o Present value of total obligation	9,788	9,637	9,489
o Projected service cost	245	240	235
Adjustment to mortality age rating assumption:	<b>+ 1 year</b>	<b>None</b>	<b>- 1 year</b>
o Present value of total obligation	10,156	9,637	9,146
o Projected service cost	248	240	232

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The Board's share of Tayside Pension Fund's assets consist of the following categories, by amount and proportion of the total assets held:

	31 March 2019 £000	31 March 2019 %	31 March 2020 £000	31 March 2020 %
Equity investments	6,480	70	5,735	66
Gilts	134	1	120	1
Other Bonds	1,408	15	1,532	18
Property	1,171	12	1,067	12
Cash and alternatives	188	2	219	3
<b>Total</b>	<b>9,381</b>	<b>100</b>	<b>8,673</b>	<b>100</b>

### Impact on the Board's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Tayside Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2020.

The Board anticipated to pay £121,000 expected contributions to the scheme in 2020/2021. The weighted average duration of the defined benefit obligation for scheme members is 17 years (2018/2019: 17 years).

### 16 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2020 and 14 September 2020 that required adjustment to the 2019/2020 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. There are no grant receipts outstanding at 31 March 2020 (see note 25).

#### Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. During 2019/2020, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

2018/2019			2019/2020	
Income £000	Expenditure £000		Income £000	Expenditure £000
(32)	-	<b>Dundee City Council:</b>	(27)	-
-	79	Interest Receivable	-	83
-	10	Central Support Services	-	8
-	64	Grounds Maintenance	-	71
-	-	Professional Fees	-	103
-	58	Capital Works	-	46
(32)	211	Miscellaneous	-	-
		<b>Total Dundee City Council</b>	<b>(27)</b>	<b>311</b>
		<b>Fife Council:</b>		
-	-	Grounds Maintenance	-	-
-	4	Miscellaneous	-	5
-	4	<b>Total Fife Council</b>	-	5

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

The following balances existed between the Board and Dundee City Council and Fife Council as at 31 March 2020:

2018/2019				2019/2020	
Asset £000	Liability £000			Asset £000	Liability £000
-	23	<b>Dundee City Council:</b>			
(32)	-	Central Support Services		(3)	-
-	51	Interest Receivable		(27)	-
-	9	Professional Fees		-	39
-	-	Miscellaneous		-	4
<b>(32)</b>	<b>83</b>	<b>Total Dundee City Council</b>		<b>(30)</b>	<b>43</b>
		<b>Fife Council:</b>			
-	4	Miscellaneous		-	-
-	<b>4</b>	<b>Total Fife Council</b>		-	-

### 18 LEASES

#### The Board as Lessee

The Board held no assets on finance or operating lease during 2019/2020 and, accordingly, there were no lease rentals paid to lessors during the year (2018/2019: None) or commitments due to lessors in 2019/2020 (2018/2019: 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 2019/2020 the Board received rent of £10,213 from this agreement (2018/2019: £10,213). Assuming that the lease continues for one year, 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 PROPERTY

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

	2018/2019 £000	2019/2020 £000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	(5)	(2)
<b>Net gain/(loss)</b>	<b>5</b>	<b>8</b>

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.

There has been no movement in the fair value of investment properties over the year. The balance at 31 March 2020 remains £71,000.

The Board's Investment Properties are valued using the Level 3 (unobservable inputs for the asset) valuation technique / fair value hierarchy. There has been no change in the valuation technique used during the year.

**TAY ROAD BRIDGE JOINT BOARD  
NOTES TO THE FINANCIAL STATEMENTS**

**20 PROPERTY, PLANT AND EQUIPMENT**

*Movements on Balances*

Movements in 2019/2020:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2019	1,398	1,604	85,962	<b>88,964</b>
Additions	-	292	420	<b>712</b>
Derecognition – Disposals	-	(35)	-	<b>(35)</b>
Expenditure Not Adding Value	-	(10)	(222)	<b>(232)</b>
Other Movements in Cost or Valuation	-	(5)	-	<b>(5)</b>
<b>At 31 March 2020</b>	<b>1,398</b>	<b>1,846</b>	<b>86,160</b>	<b>89,404</b>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2019	77	569	20,721	<b>21,367</b>
Depreciation charge	18	156	1,809	<b>1,983</b>
Derecognition – Disposals	-	(35)	-	<b>(35)</b>
<b>At 31 March 2020</b>	<b>95</b>	<b>690</b>	<b>22,530</b>	<b>23,315</b>
<b>Net Book Value:</b>				
<b>At 31 March 2020</b>	<b>1,303</b>	<b>1,156</b>	<b>63,630</b>	<b>66,089</b>
<b>At 31 March 2019</b>	<b>1,321</b>	<b>1,035</b>	<b>65,241</b>	<b>67,597</b>

Comparative Movements in 2018/2019:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2018	1,398	1,275	85,913	<b>88,586</b>
Additions	-	340	49	<b>389</b>
Expenditure Not Adding Value	-	(11)	-	<b>(11)</b>
<b>At 31 March 2019</b>	<b>1,398</b>	<b>1,604</b>	<b>85,962</b>	<b>88,964</b>
<b>Accumulated Depreciation</b>				
At 1 April 2018	58	461	18,911	<b>19,430</b>
Depreciation charge	19	108	1,810	<b>1,937</b>
<b>At 31 March 2019</b>	<b>77</b>	<b>569</b>	<b>20,721</b>	<b>21,367</b>
<b>Net Book Value:</b>				
<b>At 31 March 2019</b>	<b>1,321</b>	<b>1,035</b>	<b>65,241</b>	<b>67,597</b>
<b>At 31 March 2018</b>	<b>1,340</b>	<b>814</b>	<b>67,002</b>	<b>69,156</b>

*Capital Commitments*

At 31 March 2020, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2020/2021 and future years, budgeted to cost £577,000 (Similar commitments at 31 March 2019 were £519,000).

The major commitments are for:

- Inspection of Piers and Columns = £188,000;
- Bridge Office Refurbishment = £180,000; and
- Term Consulting Engineers = £200,000.

## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

### *Revaluations*

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is re-valued at least every five years. All valuations were carried out by Mr Alastair Kay BSc MRICS, Registered Valuer for Dundee City Council's City Development service. 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 (RICS).

### *Material Valuation Uncertainty*

With regard to the annual asset valuations carried out for Tay Road Bridge Joint Board, Dundee City Council's internal RICS Regulated Members have concluded that there is material uncertainty covering the period over which the valuations have been carried out and have therefore applied the following notification (as recommended by RICS).

"The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we (the RICS regulated members) consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations reported herein, under frequent review."

## 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.

	2018/2019 £000	2019/2020 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	389	712
<b>Total Capital Investment</b>	<b>389</b>	<b>712</b>
<i>Sources of finance:</i>		
Capital receipts	12	6
Government grants and other contributions	287	649
Capital Funded from Current Revenue	90	57
<b>Total Sources of Finance</b>	<b>389</b>	<b>712</b>

## 22 INVENTORIES

	Maintenance Materials		Total	
	2018/2019 £000	2019/2020 £000	2018/2019 £000	2019/2020 £000
<b>Balance outstanding at start of year</b>	55	56	55	56
Recognised as an expense in the year	1	-	1	-
<b>Balance outstanding at year-end</b>	<b>56</b>	<b>56</b>	<b>56</b>	<b>56</b>

The year-end stocktake at 31st March 2020 could not be undertaken due to the Covid 19 pandemic. A stocktake was carried out in June 2020 when it was safe to do so and there were no material changes. Reliance was therefore placed on the underlying stock records.



## TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

### 23 SHORT-TERM DEBTORS

	31 March 2019	31 March 2020
	£000	£000
Central government bodies	-	133
Local authorities	32	30
Other entities and individuals	6	8
<b>Total</b>	<b>38</b>	<b>171</b>

### 24 SHORT-TERM CREDITORS

	31 March 2019	31 March 2020
	£000	£000
Central government bodies	2,625	211
Local authorities	99	30
Other entities and individuals	43	231
<b>Total</b>	<b>2,767</b>	<b>472</b>

### 25 GRANT INCOME

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2019/2020:

	2018/2019	2019/2020
	£000	£000
<b>Credited to Taxation and Non Specific Grant Income</b>		
Scottish Government Revenue Grant	1,488	1,509
Scottish Government Capital Grant	750	188
Repayment of Scottish Government Capital Grant	(1,366)	(184)
<b>Total</b>	<b>872</b>	<b>1,513</b>

The Board has £nil 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 (2018/2019: £1,235,000). This is included in Note 24, Short-Term Creditors under central government bodies.

### 26 CONTINGENT LIABILITIES

#### Equalisation of Guaranteed Minimum Pension (GMP) in Public Service Pension Schemes

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is the understanding of Tayside Pension Fund's actuaries that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes.

On 22 January 2018, the Government published the outcome to its Indexation and Equalisation of GMP in Public Service Pension Schemes Consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016.

Tayside Pension Fund's actuaries valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, the actuaries have assumed that the Fund will be required to pay the entire inflationary increase. The Board will have a liability that will crystallise in the future but this cannot be quantified at this stage.

## **TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS**

### **Goodwin Case**

The Goodwin case affects male survivors (of female members) by extending the applicable service back from 1988 back to 1978. This only impacts survivor benefits coming into payment after 2005. This doesn't affect who is entitled to benefit, it just impacts the amount to be paid to widowers.

The widower liability calculated as part of the formal valuation was less than 0.5% of the total liabilities for the Fund. Tayside Pension Fund's actuaries don't normally receive information on the dependent's pension amount of current members, as this is calculated only when it comes into payment by the administering authority, but they do have to allow for this in the liability calculations that they estimate based on the total service and accrued pension so they have effectively covered any adjustment for pre 1988 service/benefit for active/deferred and pensioner members. The only potential adjustment is therefore a small increase in the current widowers' liability.

For these widowers to be affected the female member would have to have pre 1988 service, which is now thirty-two years ago. There would therefore need to be a combination of service and pension in payment to be greater than thirty-two years. Given the average age of dependents was around seventy-three at the last valuation and the average service might be around ten years the actuaries expect there are very few members where this is the case. If they assume even 10% meet this criteria then the impact might be  $0.5\% \times 10\% \times \text{pre 1988 benefit} / \text{total benefit}$ . Even if the pre 1988 benefit was 50% of the total (which is unlikely) then the impact would be 0.025%. Whilst there are a number of estimates and assumptions outlined the actuaries believe that the impact is not material.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

## Report on the audit of the financial statements

### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view, in accordance with applicable law and the 2019/20 Code, of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is four years. I am independent of the Tay Road Bridge Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Tay Road Bridge Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

I draw attention to Note 4 to the financial statements 'Assumptions made about the future and other major sources of estimation', which describes the effects of material uncertainties, caused by Covid-19, declared in the valuation report for land and buildings. My opinion is not modified in respect of this matter.

### Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Tay Road Bridge Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Risks of material misstatement

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

## **Responsibilities of the Treasurer and Tay Road Bridge Joint Board for the financial statements**

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Tay Road Bridge Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Tay Road Bridge Joint Board is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements.**

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's <https://www.frc.org.uk/auditors/audit-assurance/auditors-responsibilities>. This description forms part of my auditor's report.

## **Other information in the annual accounts**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Report on other requirements**

### **Opinions on matters prescribed by the Accounts Commission**

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAY ROAD BRIDGE JOINT BOARD AND THE ACCOUNTS COMMISSION FOR SCOTLAND

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

## **Matters on which I am required to report by exception**

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

## **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

## **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

*Bruce Crosbie*

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15 September 2020