
TAY ROAD BRIDGE JOINT BOARD

Clerk: Roger Mennie
Head of Democratic and Legal Services
Dundee City Council
5 City Square
Dundee

TO: ALL MEMBERS OF THE TAY
ROAD BRIDGE JOINT BOARD

Date 7th September, 2020

Dear Member

TAY ROAD BRIDGE JOINT BOARD

You are requested to attend a meeting of the **TAY ROAD BRIDGE JOINT BOARD** to be held remotely on Monday, 14th September at 10.00 am.

The agenda and papers are enclosed.

Members of the Press or Public wishing to join the meeting should contact Committee Services on telephone (01382) 434818 or by email at committee.services@dundeecity.gov.uk by no later than 12 noon on Friday, 11th September, 2020.

Please submit any apologies for absence to Arlene Hay, Committee Services Officer on telephone (01382) 434818 or email arlene.hay@dundeecity.gov.uk.

Yours faithfully

ROGER MENNIE

Clerk to the Joint Board

AGENDA OF BUSINESS

1 DECLARATION OF INTEREST

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

2 MINUTE OF PREVIOUS MEETING - Page 1

The minute of meeting of the Tay Road Bridge Joint Board held on 2nd March 2020 is submitted for approval (copy attached).

3 OPERATIONAL RESTRICTIONS AND CLOSURES - Page 3

(Report No TRB9-2020 by the Bridge Manager, copy enclosed).

4 LOCAL CODE OF CORPORATE GOVERNANCE - Page 9

(Report No TRB6-2020 by the Treasurer, copy enclosed).

5 ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31 MARCH 2020 - Page 65

(Report No TRB7-2020 by the Treasurer, copy enclosed).

6 UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020 - Page 75

(Report No TRB8-2020 by the Treasurer, copy enclosed).

7 RESPONSE TO INTERNAL AUDITOR'S ANNUAL REPORT TO MEMBERS - Page 139

(Report No TRB10-2020 by the Bridge Manager, copy enclosed).

8 OPERATIONAL RESTRICTIONS AND CLOSURES - Page 161

(Report No TRB15-2020 by the Bridge Manager, copy enclosed).

9 ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT - Page 166

(Report No TRB16-2020 by the Bridge Manager, copy enclosed).

10 REVENUE MONITORING – 4 MONTHS TO 31 JULY 2020 - Page 181

(Report No TRB11-2020 by the Treasurer, copy enclosed).

11 CAPITAL MONITORING – 4 MONTHS TO 31 JULY 2020 - Page 185

(Report No TRB12-2020 by the Treasurer, copy enclosed).

12 2020/2021 INSURANCE PROGRAMME - Page 191

(Report No TRB13-2020 by the Treasurer, copy enclosed).

13 AUDITED ACCOUNTS

(a) EXTERNAL AUDITOR'S ANNUAL REPORT

(i) Audit Scotland's Covering Letter - **Page 195**

(Copy enclosed).

(ii) Proposed 2019/2020 Annual Audit Report - **Page 205**

(Copy enclosed).

(b) RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2019/2020 AUDIT OF
TAY ROAD BRIDGE JOINT BOARD - **Page 229**

(Report No TRB14-2020 by the Treasurer, copy enclosed).

(c) AUDITED ACCOUNTS FOR YEAR ENDED 31ST MARCH 2020 - **Page 233**

(Copy enclosed).

14 DATE OF NEXT MEETING

The next meeting of the Joint Board will be held on Monday, 7th December, 2020 at 10.00am.

ITEM No ...2.....

At a MEETING of the **TAY ROAD BRIDGE JOINT BOARD** held at Dundee on 2nd March, 2020.

Present:-

Dundee City Council

Councillor Lynne SHORT
Depute Lord Provost CAMPBELL
Councillor Stewart HUNTER
Councillor George McIRVINE
Councillor Margaret RICHARDSON

Fife Council

Councillor Jonny TEPP
Councillor Bill CONNOR
Councillor John DOCHERTY
Councillor Andy HEER
Councillor Brian THOMSON

Also Present (Officers):-

Bill ANGUS (Maintenance and Operations Manager)
Gary BRADY (Engineer)
Alan HUTCHISON (Bridge Manager)
John MOIR (for Treasurer)
Kenny McKAIG (for Clerk)
Ewan ROBERTSON (Audit Scotland)

Councillor Lynne SHORT, Chairperson, in the Chair.

Apologies for absence were submitted on behalf of Bailie Macpherson and Councillor Fotheringham.

I DECLARATION OF INTEREST

There were no declarations of interest.

II MINUTE OF PREVIOUS MEETING

The minute of meeting of the Tay Road Bridge Joint Board held on 2nd December, 2019 was submitted and approved.

III OPERATIONAL RESTRICTIONS AND CLOSURES

There was submitted Report No TRB4-2020 by the Bridge Manager appraising the Joint Board of the number and nature of operational restrictions and closures applied between 1st November, 2019 and 31st January, 2020.

The Joint Board noted the content of the report as at 31st January, 2020.

IV REVENUE MONITORING – 10 MONTHS TO 31ST JANUARY, 2020

There was submitted Report No TRB1-2020 by the Treasurer appraising Board members of the latest position regarding the Joint Board's 2019/2020 Revenue Budget.

The Joint Board noted the content of the Revenue Monitoring Report as at 31st January, 2020.

V CAPITAL MONITORING – 10 MONTHS TO 31ST JANUARY, 2020

There was submitted Report No TRB2-2020 by the Treasurer appraising Board members of the latest position regarding the Joint Board's 2019/2020 Capital Plan.

The Joint Board noted the content of the Capital Monitoring Report as at 31st January, 2020.

VI EXTERNAL AUDIT ANNUAL AUDIT PLAN 2019/2020

There was submitted Report No TRB3-2020 by the Treasurer presenting the Joint Board with the External Audit Annual Audit Plan which was attached as an appendix to the report.

The Joint Board noted the content of the External Audit Annual Audit Plan for 2019/2020.

VII TENDER REPORT – PRINCIPAL INSPECTION OF PIERS AND COLUMNS

There was submitted Report No TRB5-2020 by the Engineer seeking approval to appoint CAN Structures Ltd to carry out a Principal Inspection of the upper 2.4 metres of the concrete river piers and the entire surface area of the columns of the Tay Road Bridge, clean and inspect all surfaces, identify and mark out defective areas of concrete, photograph and report on defects.

The Joint Board:-

- (i) instructed the Clerk to the Board to accept the tender offer of £187,564.45 from CAN Structures Ltd; and
- (ii) authorised an overall expenditure of £223,564.45 which included an allowance of £21,000 for contingencies and £15,000 for professional fees associated with providing support for site supervision and interpretation of reports.

VIII REPAIRS TO TAY ROAD BRIDGE ADMINISTRATION BUILDING

On a reference to Article VI of the minute of meeting of this Joint Board of 2nd December 2019 (Report No TRB33-2019 refers) when the Joint Board approved the appointment of a main contractor for repairs to the Tay Road Bridge Administration Building utilising the fully OJEU compliant Places for People Procurement Hub it was reported that the Places for People Procurement Hub national UK framework contractor was Wilmott Dixon and, through a contracting agreement, the performance obligations of contracts commissioned in Scotland were delivered by Robertson Construction Ltd.

The Joint Board noted the appointment of Wilmott Dixon for the works with the performance obligations of the contract undertaken by Robertson Construction Ltd.

IX DATE OF NEXT MEETING

Monday, 15th June, 2020 at 11.00 am in County Buildings, Cupar.

Councillor Lynne SHORT, Chairperson.

REPORT TO: TAY ROAD BRIDGE JOINT BOARD

REPORT ON: OPERATIONAL RESTRICTIONS AND CLOSURES

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB 09-2020

1.0 PURPOSE OF REPORT

- 1.1 To appraise the Joint Board of the number and nature of operational restrictions and closures applied between 1 February 2020 and 30 April 2020.

2.0 RECOMMENDATIONS

- 2.1 The Joint Board are asked to note the contents of this Report as at 30 April 2020.

3.0 FINANCIAL IMPLICATIONS

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

4.0 COMMENTARY ON RESTRICTIONS AND CLOSURES

- 4.1 Restrictions are applied to the traffic on the bridge for a number of reasons including recovering debris, breakdowns, high winds and other operational requirements, such as carriageway inspections. Miscellaneous incidents include escorting pedestrians from the carriageway.

A summary of the restrictions applied between 1 February 2020 and 30 April 2020 is given below:-

4.1.1 Single Carriageway Closure

Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational	193	76	2.54	6	1
Breakdown	20	4	5	7	4
Miscellaneous Incidents	31	6	5.16	8	2
Single Lane Closures for Maintenance	114	11	10.36	15	4
Police Incidents	166	10	16.6	70	4

4.1.2 Full Bridge Closure

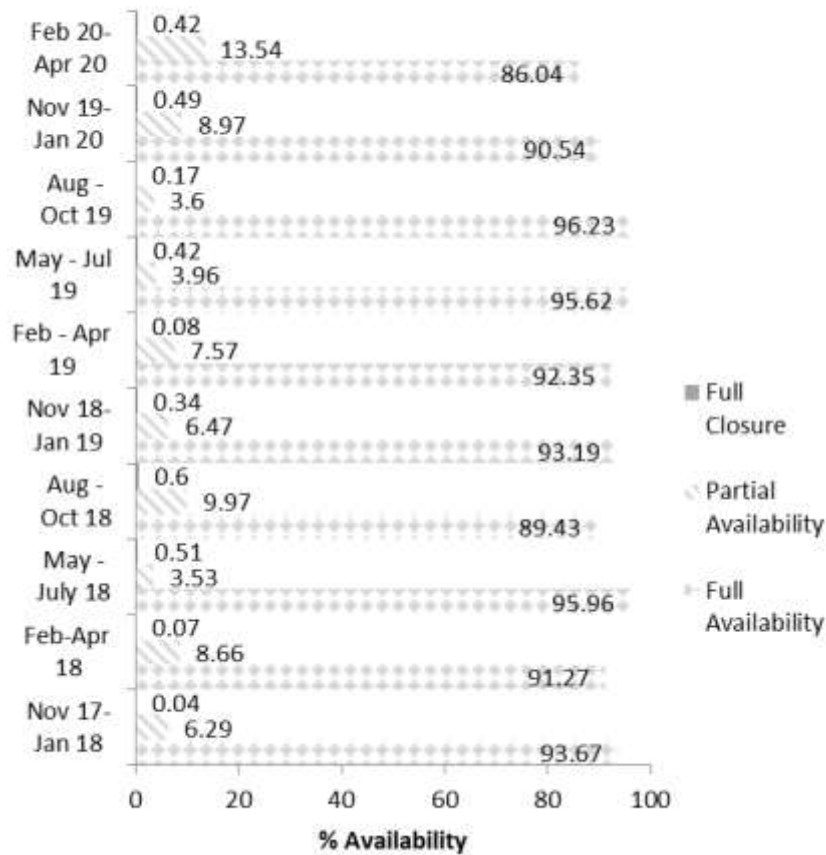
Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational (Night Closures)	0	0	0	0	0
Police Incidents	249	8	31.13	59	7
Wind	289	2	144.5	187	102

4.1.3 High Winds Restrictions

Traffic Restricted	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Restricted (Minutes)	Minimum Time Restricted (Minutes)
Double Deck Buses	14336	26	551.38	1365	49
High Sided Vehicles	2690	7	384.29	735	248
All Traffic	289	2	144.5	187	102

4.1.4 Availability of Bridge

AVAILABILITY TO BRIDGE USERS



	Feb – Apr 19	May-Jul 19	Aug-Oct 19	Nov 19 – Jan 20	Feb-Apr 20
Full Availability	92.35	95.62	96.23	90.54	86.04
Partial Availability	7.57	3.96	3.6	8.97	13.54
Full Closure	0.08	0.42	0.17	0.49	0.42

4.1.5 Summary of Bridge availability 1 February 2020 to 30 April 2020

Full availability (No restrictions)	86.04%
Partial Availability (Some restrictions)	13.54%
No Availability (Full Closure)	0.42%

5.0 TRAFFIC COUNT DATA

5.1 Traffic Count Data from Dundee Ramps

AADT – (Annual Average Daily Total 2019/2020)

	1st Quarter 2019	2nd Quarter 2019	3 rd Quarter 2019	4 th Quarter 2019	1 st Quarter 2020
	(Feb - Apr)	(May - Jul)	(Aug – Oct)	(Nov – Jan)	(Feb- Apr)
Northbound to West	6833	6459	6659	5931	2376
Northbound to East	6744	7434	7534	6567	4728
Northbound Total	13577	13893	14193	12498	7104
Southbound from West	5720	5779	6067	5386	3864
Southbound From East	7874	8264	8489	7255	5244
Southbound Total	13594	14043	14556	12641	9108
AADT Traffic per Quarter	27171	27936	28749	25139	16212

A comparison of recorded traffic levels between the first quarter of 2019 and the first quarter of 2020 shows a 40% reduction in traffic levels. This is likely to be attributable to the restriction on people's movement, commonly known as "lockdown", which was ordered by the Scottish Government on 23 March 2020 in response to the Coronavirus (Covid-19) pandemic.

5.2 Cyclist and Pedestrian Count on the Walkway

AADT – (Annual Average Daily Total 2019/2020) Northbound and Southbound

	4 th Quarter 2019		1 st Quarter 2020
	(Nov - Jan)		(Feb - Apr)
Cyclists – November	159	Cyclists – February	139
Cyclists – December	132	Cyclists – March	129
Cyclists – January	157	Cyclists – April	214
AADT Cyclists 4th Quarter 2019	150	AADT Cyclists 1st Quarter 2020	161

A Pedestrian and Cycling Counter was installed on the bridge walkway in October 2019. Unfortunately pedestrian numbers are not yet available. The fault has been reported to Cycling Scotland and a solution is being considered by their contractors.

There is a noticeable increase in cyclists using the bridge walkway in April 2020.

6.0 POLICY IMPLICATIONS

- 6.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

7.0 CONSULTATIONS

- 7.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the content.

8.0 BACKGROUND PAPERS

- 8.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
20 MAY 2020

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

Roger Mennie

Roger Mennie
 Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

Lynne Short

Cllr Lynne Short
 Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

Jonny Tepp

Cllr Jonny Tepp
 Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

REPORT TO: TAY ROAD BRIDGE JOINT BOARD

REPORT ON: LOCAL CODE OF CORPORATE GOVERNANCE

REPORT BY: TREASURER

REPORT NO: TRB 6-2020

1 PURPOSE OF REPORT

To review and update the Joint Board's Local Code of Corporate Governance.

2 RECOMMENDATIONS

It is recommended that the Joint Board:-

- i) Approves the compliance review and updated Local Code of Corporate Governance as detailed in Appendix A.
- ii) Notes the progress against the 2019/2020 improvement action plan in Appendix 1.
- iii) Approves the implementation of the improvements listed in Appendix 2 for 2020/2021.

3 FINANCIAL IMPLICATIONS

None.

4 BACKGROUND

4.1 In 2016, CIPFA extensively revised the Code in its publication "Delivering Good Governance in Local Government: Framework and the accompanying Guidance notes for Scottish Authorities, 2016 edition. The contents of the attached arise as a result of consideration of the Code including the requirement to improve accountability to the public and stakeholders by explaining how the Board has resolved any governance issues raised in the previous year's statement. An Annual Governance Statement is included in the Board's Annual Accounts and is also reported separately to the Joint Board.

4.2 The annual review seeks to maintain a high standard of corporate governance and to ensure continuous improvement. Previous compliance reviews suggested a high level of compliance with the guidelines although areas of improvement were identified and acted upon. These included revision of the Joint Board's Standing Orders. All Internal Audit and External Audit reviews are also reported to the Joint Board.

5 CURRENT COMPLIANCE REVIEW

5.1 The current compliance review was carried out by senior officers who reviewed the existing guidance to consider Corporate Governance issues and their implications for the Joint Board.

5.2 Consistent use of the same scoring mechanism supports year on year monitoring of improvement and allows the Board to assess the extent of its compliance with the guidelines as presented in the Appendix 3. The scoring mechanism suggests that the Joint Board has a high level of compliance with the guidelines, which given their wide scope is considered very good.

5.3 The scoring mechanism was used to assist and prepare the Improvement Agenda in Appendix 2 whereby senior officers identified areas where compliance with the code could be improved during the year. This will also help inform the overall Improvement Agenda in the Joint Board's Annual Governance Statement.

5.4 In addition, as part of the Annual Governance Statement 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.

5.5 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.

5.6 The Local Code of Corporate Governance 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 this report has to reflect the circumstances at the time of publication and the impact on governance.

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).

6 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

7 CONSULTATIONS

The Clerk, Bridge Manager and Engineer to the Joint Board have been consulted in the preparation of this report and are in agreement with the contents.

8 BACKGROUND PAPERS

CIPFA's Delivering Good Governance in Local Government: Framework (2016); and
CIPFA's Delivering Good Governance in Local Government: Guidance Notes for Scottish Authorities (2016).

GREGORY COLGAN
TREASURER

11 JUNE 2020

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

Roger Mennie

Roger Mennie
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

Lynne Short

Cllr Lynne Short
Chair of Tay Road Bridge Joint Board

1st July, 2020

Date

Jonny Tepp

Cllr Jonny Tepp
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date



Tay Road Bridge

LOCAL CODE OF CORPORATE GOVERNANCE

JUNE 2020

TAY ROAD BRIDGE JOINT BOARD

LOCAL CODE OF CORPORATE GOVERNANCE (2019/2020)

FOREWORD

Tay Road Bridge Joint Board strives to meet the highest standards of corporate governance to help ensure that it meets its objectives. The Joint Board is determined to ensure that it delivers the best possible service to bridge users. It has developed a modern and effective service that responds quickly and flexibly, delivering high quality services.

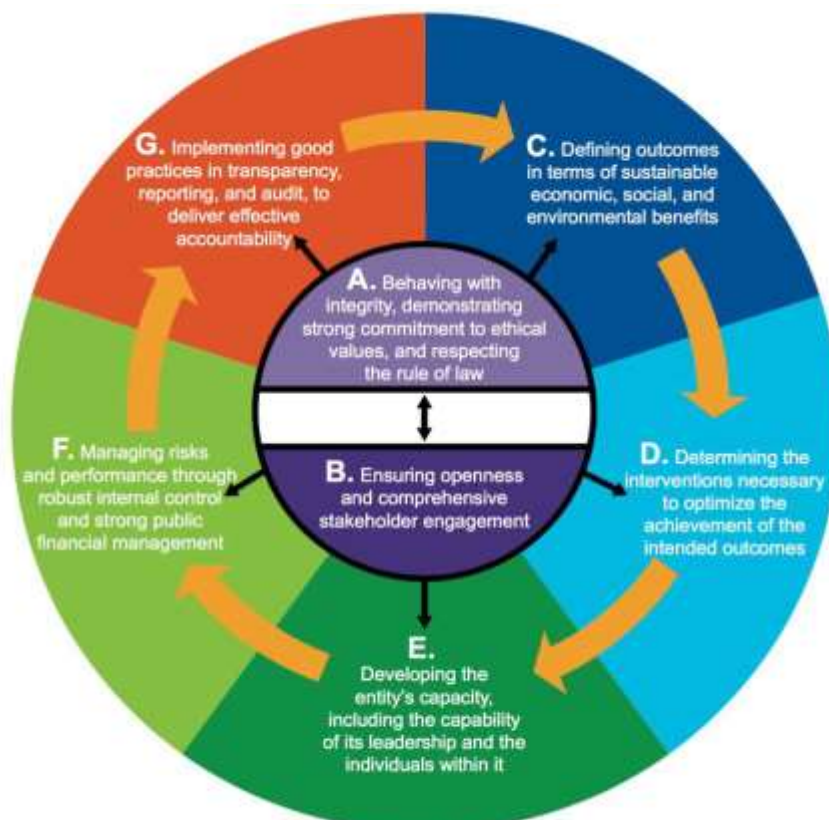
The Joint Board is committed to effective decision-making that is transparent and open to genuine scrutiny. It therefore provides on its website (www.tayroadbridge.co.uk) details of its plans, procedures and performance.

DEFINITION

Corporate governance is the system by which Tay Road Bridge Joint Board directs and controls its functions and relates to its users. An Annual Governance Statement is included in the Joint Board's Annual Report and Accounts each year.

THE CODE

The Local Code of Corporate Governance for the Joint Board consists of seven main principles of good governance derived from CIPFA's Delivering Good Governance in Local Government: Framework (2016):-



A. BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF LAW

The Joint Board has a range of systems and procedures in place to ensure that members and employees of the authority are not influenced by prejudice or conflicts of interest in dealing with its stakeholders. Registers of Members' Interests are held by their constituent councils and are continuously updated and are available for inspection by members of the public.

The Joint Board has a [Members' Code of Conduct](#) and an Officers Code of Conduct in addition to the [Standing Orders of the Board](#), [Financial Regulations](#), [Tender Procedures](#), and [Delegation of Powers](#) as well as [Fraud Guidelines](#) and Disciplinary Procedures. The Joint Board has a Whistle-blowing policy in place to provide for the direct reporting of problems to senior managers without fear of recrimination and a [Complaints Procedure](#) to allow bridge users to bring issues to the attention of senior management.

The National Code of Conduct, the Disciplinary Procedures and the Local Code on Corporate Governance are also applicable in general terms to any external organisations to which elected members and/or officers are appointed.

The Joint Board is committed to equal opportunities including both the elimination of discrimination and the use of positive action measures to ensure that employment opportunities, service provision and access to civic life are bias free and made equally and easily available to people from target groups.

B. ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

The Joint Board has implemented a [Strategic Plan 2019 - 2024](#) that shows a clear link between the Board's strategic objectives, performance measures, and financial resources.

The Joint Board ensures that Board Minutes, Board Documents, Annual Accounts, etc. are published and freely available on its website (www.tayroadbridge.co.uk). Information relating to Operational Restrictions and Closures as well as results of Tenders for Contracts on the bridge are reported to the Joint Board and published on the website. The Joint Board also has a [Freedom of Information Policy](#). The Joint Board's Standing Orders include Tender Procedures to ensure that the decisions of Senior Officers are guided by the requirements of the latest Public Contracts (Scotland) Regulations.

The Joint Board has a Communications Strategy in place to ensure that it effectively engages with stakeholders.

As with Local Authority Meetings, all meetings of the Joint Board are open to the public and full minutes of the meetings are recorded.

C. DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

The Joint Board's structure, functions and powers are prescribed in the [Tay Road Bridge Order Confirmation Act 1991](#).

The Joint Board's Communications Strategy includes details regarding press releases to ensure that changes impacting service users are communicated effectively.

The Joint Board's [Strategic Plan 2019 - 2024](#) shows a clear link between the Board's strategic objectives and its performance measures. Regular reporting to the Joint Board also ensures that the defined outcomes are delivered on a sustainable basis within the resources available. Medium-term Budgets are updated and reported annually and there is a Business Continuity Plan and a Risk Management Strategic Plan and Strategic Risk Register in place.

D. DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES

The Joint Board's Budget compared to actual expenditure is closely scrutinised and overspends and underspends are reported to the Joint Board on a regular basis in order that members are kept fully and timeously aware of any significant departures from the budgeted position.

In the course of the year, any departures from the budgeted position can be mitigated by the movement of resources from one budget heading to another in order to smooth out overall annual spend. Variances between budget spend and actual spend are subject to discussion between senior officers on a regular basis for further analysis.

The Joint Board has a Service Level Agreement in place for various services from Dundee City Council to ensure that the Joint Board is protected against changes to legislation with regard to general Legal requirements, and also covering issues in Procurement, Human Resources, Financial, Insurance and Risk Management, Engineering, IT, Communications, etc.

Regular Risk Management / Contract Meetings are held during Work Contracts on the bridge to ensure that contracts are progressing as scheduled and that arrangements are flexible so that the intended outcomes are achievable and can be adapted to changing circumstances.

The Annual Governance Statement process ensures that the capacity exists to generate the information required to review service quality and governance issues on a regular basis.

E. DEVELOP THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

Regular meetings are held between the Bridge Manager and the Engineer to the Joint Board to monitor and manage resources to ensure compliance with the Joint Board's [Asset Management Plan](#) and national and published structural inspection requirements.

New employees are required to complete an induction programme designed to provide background information on Tay Road Bridge Joint Board's activities and operational requirements as well as keeping the individual up-to-date with current issues of interest with which the Joint Board is involved.

The Joint Board provides induction training for new members designed to provide background information on the Joint Board's core activities as well as their scrutiny and governance responsibilities.

Job descriptions and person specifications are available for all posts advertised. The employee appraisal process links to employee objectives and to job competence and health and safety requirements to ensure that training needs are planned and met.

The Annual Governance Statement Continuous Improvement Agenda ensures that the Joint Board's capacity for personal, organisational and system wide development exists and allows for shared learning from external agencies such as Internal and External Audit with regards governance weaknesses.

F. MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT

The Joint Board has a developed Risk Management Strategic Plan and Strategic Risk Register. This states that "Tay Road Bridge Joint Board is committed to the management of risk in order to:-

- Minimise loss, damage or injury to Joint Board employees or members of the public
- Protect Joint Board assets and property
- Preserve and enhance the management and operation of Tay Road Bridge
- Maintain effective stewardship of public funds
- Promote a favourable corporate image"

The main priorities within this policy are the identification, evaluation and control of risks which threaten the Joint Board's ability to deliver services. The Joint Board has a high level Business Continuity Plan which sets out the arrangements by which the Joint Board aims to continue to deliver its critical services in the event of an emergency event. Critical services are identified through a process of identification and analysis contained within risk registers. Both the Risk Management Framework and the Business Continuity Strategy continue to be developed. 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.

Professional consultants are appointed to advise the Joint Board on projects / maintenance requirements in order to gain independent specialist advice.

Resources aimed at improving internal control within the Joint Board are allocated according to priorities determined by the Internal Audit Annual Audit Plan, reflecting the changing risks and priorities of the Joint Board. The Joint Board also responds to findings and reviews of Audit Scotland, other statutory inspectors and its own Internal Audit Section.

The Joint Board's accounts include an annual corporate governance statement.

IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY

The Joint Board is committed to the transparency and scrutiny of its services and processes including decision-making. To that end Joint Board meeting minutes and Board documents are published on the Joint Board's website.

The roles and responsibilities of Members and Officers are clearly defined in the Standing Orders of the Joint Board, the Scheme of Delegation of Powers to Officers, the Scheme of Tender Procedures and the Scheme of Financial Regulations.

The Joint Board has a Recruitment and Selection policy with the aim of ensuring that all officers involved are appropriately trained for their roles.

The Joint Board's Annual Governance Statement ensures that robust arrangements for assessing the extent to which the principles contained in CIPFA's Delivering Good Governance: Framework (2016) have been applied and the results are published, including an action plan for improvement.

The Bridge Manager, Treasurer, Clerk, and Engineer to the Joint Board are responsible for ensuring that agreed procedures are followed and that all applicable statutes, regulations and statements of good practice are complied with.

The Treasurer is responsible for ensuring appropriate advice is given to the Joint Board on all financial matters, keeping proper financial records and accounts and maintaining an effective system of internal financial control under the terms of the Financial Regulations.

TAY ROAD BRIDGE JOINT BOARD**IMPROVEMENT AGENDA FOR 2019/2020 WITH PROGRESS UPDATES**

ORIGINAL IMPROVEMENT AGENDA						PROGRESS UPDATE	
Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details from last year's Local Code of Corporate Governance report (TRB 12-2019).	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	30/12/2019	Carried forward from 2018/2019. In progress.	3/12/2019.	All staff have now completed this training.
2 Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.		In progress. Equate Scotland have been contracted to provide training during 2020. Original training date of 29 June 2020 has been postponed due to Covid19 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	Carried forward from 2018/2019. In progress.		In progress. Privacy Statements posted on line for: <ul style="list-style-type: none"> • Employee; • New Employee; • CCTV; • Website; • Subject Access Request and Data Breach Documentation complete and staff made aware; & • Review meeting to be held with DCC data protection compliance officer by June 2020. 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	Carried forward from 2018/2019. In progress.		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 TRBJB before being rolled out by September 2020. Carried forward to 2020/2021.*
5	Introduce Mental Health awareness initiatives for the workforce.	E	2.8	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.	25/6/2019.	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	Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation.		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	Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).	-	Outstanding action. Aim for completion by September 2020 Board. Carried forward to 2020/2021.*
8	Develop Anti-Bribery Policy.			Treasurer	31/03/2020	Source: Annual Governance Statement Self-Assessment Checklist.	2/12/2019.	Approved at December 2019 Board meeting.

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

TAY ROAD BRIDGE JOINT BOARD**IMPROVEMENT AGENDA FOR 2020/2021**

Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details
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 D E	2.1, 3.1 & 3.3 1.2 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	30/9/2020	Carried forward from 2019/2020. 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	30/9/2020	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	31/3/2021	Source: Local Code of Corporate Governance checklist.
8 Bridge manager development and performance review to be re-established.	E	2.6	Engineer	31/3/2020	Source: Local Code of Corporate Governance checklist.
9 Introduce procedure that allows DCC procurement to approve / challenge bridge officer decisions to waiver tender	F	5.1	Treasurer	31/12/2020	Source: Local Code of Corporate Governance checklist.

procedures in order to provide a third party check and balance.					
10 Develop checklist to assist in collation and recording of all evidence required to demonstrate compliance with Construction Design Management (CDM) 2015 Regulations.			Bridge Manager	30/9/2020	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	30/9/2020	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 TRBJB to recruit more effectively at all levels.			Bridge Manager	31/3/2021	Source: Annual Governance Self-Assessment Checklist.
13 Review TRBJB's response to the Covid 19 crisis.			Bridge Manager	31/3/2021	



Local Code of Corporate Governance 2019/2020 - Self Assessment Checklist

As part of the assurance gathering process surrounding the preparation of the Annual Governance Statement (AGS), this self-assessment checklist has been designed to obtain assurances directly from the Bridge Manager regarding how effective the internal control, and wider corporate governance, environment is within the Board.

The scoring system to be used when completing this checklist is detailed in the table below:

EVALUATION	DEFINITION
4	Fully Compliant
3	Mostly Compliant (Minor areas for improvement)
2	Partially Compliant (More significant areas for improvement)
1	Not Compliant (Material areas for improvement)
N/A	Not applicable

Whilst the approach to completion of the checklist ultimately rests with the Bridge Manager it is important that the Joint Board's submission provides a comprehensive assessment of the current position and is supported by appropriate evidence. This exercise may result in the identification of areas for improvement. These should be detailed, where appropriate, in the checklist and taken forward within the continuous improvement framework.

The self-assessment should be certified by the Bridge Manager.

Organisation	Tay Road Bridge Joint Board	Date	...02/04/20.....	
Name and Designation	Alan Hutchison Bridge Manager			
<i>As a result of completion of this exercise I confirm that I am satisfied with the overall governance arrangements within Tay Road Bridge Joint Board and that there is a satisfactory evidence base to support this opinion. In addition, I confirm that I will take appropriate steps during the 2020/2021 financial year to further enhance the Board's governance arrangements in the areas identified for improvement.</i>			Yes	x
			No	
<i>If no, please provide details</i>				

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

Acting in the public interest requires a commitment to and effective arrangements for:

PRINCIPLE A		Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
		Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
1	Behaving with integrity	1.1	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	<p>Examples from CIPFA's Delivering Good Governance in LG Guidance Notes 2016 (in Grey):</p> <ul style="list-style-type: none"> • <i>Codes of conduct</i> • <i>Individual sign off with regard to compliance with code</i> • <i>Induction for new members and staff on standard of behaviour expected</i> • <i>Performance appraisals</i> • Members Code of Conduct Councillors Code of Conduct • Fraud Guidelines • Anti-Bribery Policy • Annual Governance Statement. • Local Code of Corporate Governance • Employee Appraisals. • Standing Orders Scheme of Delegation • Tender Procedures Financial Regulations • Induction training for new members. 	4	
		1.2	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should	<ul style="list-style-type: none"> • <i>Communicating shared values with members, staff, the community and partners</i> • Members Code of Conduct Councillors Code of Conduct • Fraud Guidelines 	4	

			build on the Seven Principles of Public Life (the Nolan Principles).	<ul style="list-style-type: none"> • Anti-Bribery Policy • Annual Governance Statement • Local Code of Corporate Governance • Strategic Plan 2019-2024 		
		1.3	Leading by example and using these standard operating principles or values as a framework for decision making and other actions.	<ul style="list-style-type: none"> • <i>Decision making practices</i> • <i>Declarations of interests made at meetings</i> • <i>Conduct at meetings</i> • <i>Shared values guide decision making</i> • <i>Develop and maintain an effective standards committee</i> • Members Code of Conduct Councillors Code of Conduct • Fraud Guidelines • Anti-Bribery Policy • Annual Governance Statement • Local Code of Corporate Governance • Standing Orders Scheme of Delegation • Tender Procedures Financial Regulations • Strategic Plan 2019-2024 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE A (continued)		Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		1.4	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.	<ul style="list-style-type: none"> • <i>Anti-fraud and corruption policies are working effectively</i> • <i>Up-to-date register of interests (members and staff)</i> • <i>Up-to-date register of gifts and hospitality</i> • <i>Whistleblowing policies are in place and protect individuals raising concerns</i> • <i>Whistleblowing policy has been made available to members of the public, employees, partners and contractors</i> • <i>Complaints policy and examples of responding to complaints about behaviour</i> • <i>Changes/improvements as a result of complaints received and acted upon</i> • <i>Members' and officers' code of conduct refers to a requirement to declare interests</i> • <i>Minutes show declarations of interest were sought and appropriate declarations made</i> • Members Code of Conduct Councillors Code of Conduct • Fraud Guidelines • Anti-Bribery Policy • Annual Governance Statement • Local Code of Corporate Governance • Whistle Blowing Policy. • Complaints Procedure • Bridge Bye Laws • Register of Interests for Members held by their Constituent Councils. • Register of Interests for Members specific to the Bridge Board. • Register of Interests for Senior Staff who have input into and responsibility for decision 	3	Bridge Byelaws require to be updated.

				<ul style="list-style-type: none"> making and awarding contracts. Standing Orders Scheme of Delegation Tender Procedures Financial Regulations Declaration of Interest is a standing item on Board meeting agenda. 		
2	Demonstrating strong commitment to ethical values	2.1	Seeking to establish, monitor and maintain the organisation's ethical standards and performance.	<ul style="list-style-type: none"> <i>Scrutiny of ethical decision making</i> <i>Championing ethical compliance at governing body level</i> Mainstreaming Equality Report 2019-2021 Scottish Living Wage Accreditation. Integrated Impact Assessments. 	3	Training for the Bridge Management team to avoid unconscious bias recruitment agreed. Dates to be confirmed with Equate Scotland (delayed due to Covid 19 crisis)
		2.2	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.	<ul style="list-style-type: none"> <i>Provision of ethical awareness training</i> Employee Appraisal process. Employee Code of Conduct. Standing Orders Scheme of Delegation Tender Procedures Financial Regulations Previous training undertaken by all staff in 2014 included e-learning course on Equality and Diversity. Equality and Human Rights Training delivered by DCC undertaken by all staff in 2019. Issue of Anti-Bribery Policy to all staff in March 2020. 	4	Training to all new members of staff will be provided, and refresher training organised as appropriate.

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE A (continued)		Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		2.3	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.	<ul style="list-style-type: none"> • <i>Appraisal processes take account of values and ethical behaviour</i> • <i>Staff appointments policy</i> • <i>Procurement policy</i> • Employee Appraisal process. • Recruitment & Selection Policy. • Scottish Living Wage Accreditation. • Employee Handbook / Code of Conduct. • Computer and Internet Guidelines / Social Media Guidelines. • Standing Orders Scheme of Delegation • Tender Procedures Financial Regulations • Equal Opportunities Employer. • Personal Harassment Policy. • Anti-Bribery Policy 	4	
		2.4	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.	<ul style="list-style-type: none"> • <i>Agreed values in partnership working:</i> <ul style="list-style-type: none"> ◦ <i>Statement of business ethics communicates commitment to ethical values to external suppliers</i> ◦ <i>Ethical values feature in contracts with external service providers</i> • <i>Protocols for partnership working</i> • Standing Orders Scheme of Delegation • Tender Procedures Financial Regulations • Scottish Living Wage Accreditation. • Ethical values feature in OJEU Tenders issued by TRBJB. TRBJB use Dundee City Council Procurement Services as part of the Corporate Services Service Level Agreement to advise and assist with procurement and tenders. 	4	
3	Respecting the Rule of Law	3.1	Ensuring members and staff	<ul style="list-style-type: none"> • <i>Statutory provisions</i> 	4	

			demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	<ul style="list-style-type: none"> • <i>Statutory guidance is followed</i> • <i>Constitution</i> • The Board's structure, functions and powers are prescribed in the Tay Road Bridge TRB Order Confirmation Act 1991 • Checking of staff driving licenses to make sure they are legal to drive work vans. 		
		3.2	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	<ul style="list-style-type: none"> • <i>Job description/specifications</i> <ul style="list-style-type: none"> • <i>Compliance with CIPFA's Statement on the The Role of the Chief Financial Officer in Local Government (CIPFA, 2016)</i> • <i>Terms of reference</i> • <i>Committee support</i> • The Board's structure, functions and powers are prescribed in the Tay Road Bridge TRB Order Confirmation Act 1991 • Job descriptions. • Compliance with CIPFA's statement on the Role of the Chief Financial Officer. 	4	
		3.3	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.	<ul style="list-style-type: none"> • <i>Record of legal advice provided by officers</i> • SLA with Dundee City Council for Legal Services. 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE A (continued)		Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		3.4	Dealing with breaches of legal and regulatory provisions effectively.	<ul style="list-style-type: none"> • <i>Monitoring officer provisions</i> • <i>Record of legal advice provided by officers</i> • <i>Statutory provisions</i> • SLA with Dundee City Council for Legal Services. • SAR Procedures, Data Breach Flow Chart, & Data Breach Procedures have been developed and are available on TRBJB website. • A CCTV Privacy Statement and Policy, and a Privacy Statement for the TRBJB website has also been introduced, along with a Cookie Policy. 	3	Further review required with DCC Information Governance Manager.
		3.5	Ensuring corruption and misuse of power are dealt with effectively.	<ul style="list-style-type: none"> • <i>Effective anti-fraud and corruption policies and procedures</i> • <i>Local test of assurance (where appropriate)</i> • Members Code of Conduct Councillors Code of Conduct • Fraud Guidelines • Anti-Bribery Policy • Whistle Blowing Policy. • Complaints Procedure 	4	

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations				4	9	13

Have there been any significant / critical events relating to Principle 1 during the financial year? If yes, please provide details.	
Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.	<ul style="list-style-type: none"> Scottish Living Wage Accreditation.

Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:

Further Guidance:

[The Role of the Chief Financial Officer in Local Government](#) (CIPFA, 2016)
[Commissioner for Ethical Standards in Public Life in Scotland](#)
[The Standards Commission for Scotland](#)
[Councillors' Code of Conduct](#)
[Code of Ethics for Public Service Managers - Consultation](#) (Solace, 2015)
[Code of Practice on Managing the Risk of Fraud and Corruption](#) (CIPFA, 2014)
[Equality and Human Rights Commission's Public Sector Advice and Guidance](#)
 Equality Act 2010 – Fact Sheet: [Equality Act 2010 - Factsheet](#)
 Equality Act 2010 – Easy Read Version: [Equality Act 2010 - Easy Read Version](#)
 Equality Act 2010 – Explanatory Notes: [Equality Act 2010 - Explanatory Notes](#)
 Equality Legislation – Summary: [Equality Legislation - Summary](#)
[The Role of the Chief Financial Officer in Local Government](#) (CIPFA, 2016)

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE B		Ensuring openness and comprehensive stakeholder engagement				
		Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
1	Openness	1.1	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	<ul style="list-style-type: none"> • <i>Annual report</i> • <i>Freedom of Information Act publication scheme</i> • <i>Online council tax information</i> • <i>Authority's goals and values</i> • <i>Authority website</i> • Annual Accounts 2018/2019 Audited Accounts • Board Minutes and relevant documents Board Documents are published on the Board's website: www.tayroadbridge.co.uk • Freedom of Information Policy 	4	
		1.2	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.	<ul style="list-style-type: none"> • <i>Record of decision making and supporting materials</i> • Board Minutes Board Minutes and relevant documents Board Documents are published on the Board's website: www.tayroadbridge.co.uk • Freedom of Information Policy • Tender Procedures 	4	
		1.3	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due	<ul style="list-style-type: none"> • <i>Decision-making protocols</i> • <i>Report pro-formas</i> • <i>Record of professional advice in reaching decisions</i> • <i>Meeting reports show details of advice given</i> • <i>Discussion between members and officers</i> 	4	

			course, ensuring that the impact and consequences of those decisions are clear.	<ul style="list-style-type: none"> on the information needs of members to support decision making Agreement on the information that will be provided and timescales Calendar of dates for submitting, publishing and distributing timely reports is adhered to Board Minutes and relevant documents Board Documents are published on the Board's website: www.tayroadbridge.co.uk Pre-Agenda meetings held to discuss reports and issues that will be reported to Board meeting. Tender Procedures Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year. 		
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Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE B (Continued)		Ensuring openness and comprehensive stakeholder engagement				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		1.4	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.	<ul style="list-style-type: none"> Community strategy Use of consultation feedback Citizen survey Bridge closures/ cycle statistics reported in Annual Accounts. Operational Restrictions and Closures reported to the Board on a quarterly basis and published on the website Board Minutes Website www.tayroadbridge.co.uk Social Media communications TRB Twitter TRBJB Bridge Manager is part of a Tolls Tunnels and Bridges best practice information sharing working group alongside all the major bridges across the UK. This group meets once a quarter. 	4	

				<ul style="list-style-type: none"> • TRBJB Bridge Manager is part of a suicide prevention working group to share best practice. • TRBJB Bridge manager attends or sends representatives to Road Authority and Utility Company meetings locally that is also a forum to share best practice and covers accidents/near misses within other organisations. Relevant matters are shared by TRBJB Bridge Manager with staff. 		
2	Engaging comprehensively with institutional stakeholders	2.1	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.	<ul style="list-style-type: none"> • <i>Communication strategy</i> • SLA with Dundee City Council for a Communications Strategy. • Strategic Plan 2019-2024 	3	Deliver new website that effectively shares information for all user groups.
		2.2	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	<ul style="list-style-type: none"> • <i>Database of stakeholders with whom the authority should engage and for what purpose and a record of an assessment of the effectiveness of any changes</i> • TRBJB Bridge Manager is part of a Tolls Tunnels and Bridges best practice information sharing working group alongside all the major bridges across the UK. This group meets once a quarter. • Bridge Manager attends quarterly SCOTS Bridges Group meetings. 	3	Liaise more closely with Dundee City Council roads Team to improve communication between DCC and TRBJB given juxtaposition of bridge to city. Consider SLA / agreement to share information.
		2.3	Ensuring that partnerships are based on: <ul style="list-style-type: none"> ○ trust ○ a shared commitment to change ○ a culture that promotes and accepts challenge among partners 	<ul style="list-style-type: none"> • <i>Partnership framework</i> • <i>Partnership protocols</i> • Service Level Agreements with Dundee City Council for services provision, and annual review meeting to assess success needs for both parties. 	4	

			and that the added value of partnership working is explicit.			
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Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE B (continued)		Ensuring openness and comprehensive stakeholder engagement				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
3	Engaging stakeholders effectively, including individual citizens and service users	3.1	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	<ul style="list-style-type: none">• <i>Record of public consultations</i>• <i>Partnership framework</i>• Communications Policy.	3	Deliver new website that effectively shares information for all user groups
		3.2	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	<ul style="list-style-type: none">• <i>Communications strategy</i>• Communications Policy.• Website www.tayroadbridge.co.uk• Social Media communications TRB Twitter	4	
		3.3	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	<ul style="list-style-type: none">• <i>Communications strategy</i>• <i>Joint strategic needs assessment</i>• Communications Policy.• Website www.tayroadbridge.co.uk• Social Media communications TRB Twitter• Feedback forms are provided to members of the public who break down on the bridge as a means to monitor performance and aid continuous improvement.• Record of enquiries from the public and responses are kept and a five day turnaround in responding is achieved.• Strategic Plan 2019-2024	3	A public questionnaire was issued on social media with the aim of gathering information to help improve the website. This has been completed but website must be reviewed by Board members before it is made public.

		3.4	Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.	<ul style="list-style-type: none"> <i>Communications strategy</i> Communications Policy. Feedback information to TRBJB Board at quarterly meeting of elected community councillors. 	4	
		3.5	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.	<ul style="list-style-type: none"> <i>Processes for dealing with competing demands within the community, for example a consultation</i> Feedback information to TRBJB Board at quarterly meeting of elected community councillors. 	4	
		3.6	Taking account of the interests of future generations of tax payers and service users.	<ul style="list-style-type: none"> <i>Reports</i> <i>Joint strategic needs assessment</i> Engineer and Bridge Manager Reports to the Board every quarter detailing structural condition and inspection process as appropriate / Quarterly Closure statistics reported to the TRBJB. 	4	

Ensuring openness and comprehensive stakeholder engagement	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations				4	9	13

Have there been any significant / critical events relating to Principle 2 during the financial year? If yes, please provide details.

Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.

Further Guidance:

[Model Publication Scheme Monitoring Report 2018](#) (Scottish Information Commissioner, 2018)

[Good Governance Principles for Partnership Working](#) (Audit Scotland, 2011)

[Community Planning Toolkit](#) (Community Places, 2014)

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance in local government also requires effective arrangements for:

PRINCIPLE C		Defining outcomes in terms of sustainable economic, social, and environmental benefits				
		The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
1	Defining Outcomes	1.1	Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.	<ul style="list-style-type: none"> • <i>Vision used as a basis for corporate and service planning</i> • The Board's structure, functions and powers are prescribed in the Tay Road Bridge TRB Order Confirmation Act 1991 • Management Arrangements of Scottish Government. • Strategic Plan 2019-2024 	4	
		1.2	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	<ul style="list-style-type: none"> • <i>Community engagement and involvement</i> • <i>Corporate and service plans</i> • <i>Community strategy</i> • Sharing 20 year capital plan with Scottish Government through liaison with Transport Scotland Officials. • Communications strategy will include press releases for changes impacting service users. • Strategic Plan 2019-2024 • Integrated Impact Assessments. 	4	
		1.3	Delivering defined outcomes on a sustainable basis within the resources that will be available.	<ul style="list-style-type: none"> • <i>Regular reports on progress</i> • Reports to the quarterly TRBJB meetings. 	4	

		1.4	Identifying and managing risks to the achievement of outcomes.	<ul style="list-style-type: none"> • <i>Performance trends are established and reported upon</i> • <i>Risk management protocols</i> • Business Continuity Plan. • Risk Management Strategic Plan & Strategic Risk Register 	4	
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Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE C (continued)		Defining outcomes in terms of sustainable economic, social, and environmental benefits				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		1.5	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	<ul style="list-style-type: none"> • <i>An agreed set of quality standard measures for each service element are included in service plans</i> • <i>Processes for dealing with competing demands within the community</i> • Through Board member engagement with their constituents. 	4	
2	Sustainable economic, social and environmental benefits	2.1	Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.	<ul style="list-style-type: none"> • <i>Capital investment is structured to achieve appropriate life spans and adaptability for future use so that resources are spent on optimising social, economic and environmental wellbeing:</i> • <i>Capital programme</i> • <i>Capital investment strategy</i> • Sharing 20 year capital plan with Scottish Government through liaison with Transport Scotland Officials. 	4	
		2.2	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential	<ul style="list-style-type: none"> • <i>Discussion between members and officers on the information needs of members to support decision making</i> • <i>Record of decision making and supporting materials</i> 	4	

			conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.	<ul style="list-style-type: none"> • Three yearly Revenue and Capital Budgets are updated and reported to Board annually. • Twenty Year Capital Plan is produced and discussed with Transport Scotland. • Business Continuity Plan. • Risk Management Strategic Plan & Strategic Risk Register • Strategic Plan 2019-2024 		
		2.3	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.	<ul style="list-style-type: none"> • <i>Record of decision making and supporting materials</i> • <i>Protocols for consultation</i> • Liaison meetings with Scottish Government through Transport Scotland to agree spend profiles. 	4	
		2.4	Ensuring fair access to services.	<ul style="list-style-type: none"> • <i>Protocols ensure fair access and statutory guidance is followed</i> • Lift and ramp allow access to bridge's central walkway. 	4	

Defining outcomes in terms of sustainable economic, social, and environmental benefits	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations					9	9

Have there been any significant / critical events relating to Principle 3 during the financial year? If yes, please provide details.

Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.

Further Guidance:

[Building Partnerships: Insights from the Devolution Summit](#) (CIPFA/Grant Thornton, 2015)

Continuing Professional Development website: [CPD - Key Elements of a Project Risk Register Template](#)

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE D		Determining the interventions necessary to optimise the achievement of the intended outcomes				
		Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
1	Determining interventions	1.1	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.	<ul style="list-style-type: none"> • <i>Discussion between members and officers on the information needs of members to support decision making</i> • <i>Decision making protocols</i> • <i>Option appraisals</i> • <i>Agreement of information that will be provided and timescales</i> • Pre-Agenda meetings held to discuss reports and issues that will be reported to Board meeting. • Tender Procedures outline the requirements of when to report to Board. • Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year. • Service Level Agreement with Dundee City Council Procurement Team for procuring services and protect the board against changes to procurement legislation. 	4	
		1.2	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available	<ul style="list-style-type: none"> • <i>Financial strategy</i> • Service users were asked via public questionnaire improvements that could be made to improve user experience. • Working with Fife Council and SEstrans to deliver Park and Choose facility to improve sustainability and comply with Road Scotland 	3	Deliver new website that effectively shares information for all user groups. Help deliver

			including people, skills, land and assets and bearing in mind future impacts.	Act 2019.		Park and Choose scheme in Fife.
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Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE D (continued)		Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
2	Planning interventions	2.1	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	<ul style="list-style-type: none"> <i>Calendar of dates for developing and submitting plans and reports that are adhered to</i> Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year. 	4	
		2.2	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.	<ul style="list-style-type: none"> <i>Communication strategy</i> Communications Strategy. 	4	
		2.3	Considering and monitoring risks facing each partner when working collaboratively including shared risks.	<ul style="list-style-type: none"> <i>Partnership framework</i> <i>Risk management protocol</i> Regular risk management / contract meetings are held during works contracts on the bridge. 	4	
		2.4	Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.	<ul style="list-style-type: none"> <i>Planning protocols</i> Regular risk management / contract meetings are held during works contracts on the bridge. 	4	
		2.5	Establishing appropriate key performance indicators (KPIs)	<ul style="list-style-type: none"> <i>KPIs have been established and approved for each service element and included in the</i> 	4	

			as part of the planning process in order to identify how the performance of services and projects is to be measured.	<ul style="list-style-type: none"> <i>service plan and are reported upon regularly</i> Record of enquiries from the public and responses are kept and a five day turnaround in responding is achieved. Strategic Plan 2019-2024 defines how KPI's are collected. 		
		2.6	Ensuring capacity exists to generate the information required to review service quality regularly.	<ul style="list-style-type: none"> <i>Reports include detailed performance results and highlight areas where corrective action is necessary</i> Annual Governance Statement. Local Code of Corporate Governance Management Meetings with Bridge Management Staff are formally recorded. Strategic Plan 2019-2024 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE D (continued)		Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		2.7	Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan.	<ul style="list-style-type: none"> <i>Evidence that budgets, plans and objectives are aligned</i> Three yearly Revenue and Capital Budgets are updated and reported to Board annually. Twenty Year Capital Plan is produced and discussed with Scottish Government through Transport Scotland. Strategic Plan 2019-2024 	4	
		2.8	Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable	<ul style="list-style-type: none"> <i>Budget guidance and protocols</i> <i>Medium-term financial plan</i> <i>Corporate plans</i> Three yearly Revenue and Capital Budgets are updated and reported to Board annually. 	4	

			funding strategy.	<ul style="list-style-type: none"> Twenty Year Capital Plan is produced and discussed with Transport Scotland. Strategic Plan 2019-2024 		
3	Optimising achievement of intended outcomes	3.1	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.	<ul style="list-style-type: none"> <i>Feedback surveys and exit/decommissioning strategies</i> <i>Changes as a result</i> Three yearly Revenue and Capital Budgets are updated and reported to Board annually. 	4	
		3.2	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	<ul style="list-style-type: none"> <i>Budgeting guidance and protocols</i> Three yearly Revenue and Capital Budgets are updated and reported to Board annually. Twenty Year Capital Plan is produced and discussed with Transport Scotland. 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE D (continued)		Determining the interventions necessary to optimise the achievement of the intended outcomes				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		3.3	Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	<ul style="list-style-type: none"> <i>Financial strategy</i> Three yearly Revenue and Capital Budgets are updated and reported to Board annually. Twenty Year Capital Plan is produced and discussed with Transport Scotland. Senior management receive regular financial reports to enable financial management. Regular meetings are held to support the Revenue and Capital Monitoring and reporting process. Regular Revenue and Capital Monitoring Reports are reported to the Board and published on the website Board Minutes Bridge manager discusses finances at quarterly management meetings with his key staff. 	3	Hold monthly Management meetings instead of quarterly to improve control given number of capital and inspection surveys due from 2020.

		3.4	Ensuring the achievement of 'social value' through service planning and commissioning.	<ul style="list-style-type: none"> • <i>Service plans demonstrate consideration of 'social value'</i> • <i>Achievement of 'social value' is monitored and reported upon</i> • Engineer and Bridge Manager Reports to the Board every quarter detailing structural condition and inspection process as appropriate / Quarterly Closure statistics reported to the TRBJB. • Strategic Plan 2019-2024 	4	
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Determining the interventions necessary to optimise the achievement of the intended outcomes	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations				1	13	14

Have there been any significant / critical events relating to Principle 4 during the financial year? If yes, please provide details.

Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.

Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:

Further Guidance:

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE E		Developing the entity's capacity, including the capability of its leadership and the individuals within it				
		Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
1	Developing the entity's capacity	1.1	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.	<ul style="list-style-type: none"> <i>Regular reviews of activities, outputs and planned outcomes</i> Quarterly review meetings between Bridge Manager and Engineer to the Board to monitor and manage resources to ensure compliance with TRBJB Asset Management Plan and national and published structural inspection requirements. 	3	Operations could be improved by reviewing staffing structure and shift patterns for welfare of staff and subsequently users
		1.2	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.	<ul style="list-style-type: none"> <i>Utilisation of research and benchmarking exercises</i> The Board's Financial Regulations require that all contracts entered into shall, where practicable, comply with the organisation's Tendering Procedures. These state 'the underlying spirit of the procedures is to provide openness, accountability and Best Value in the Board's procurement of goods, services and works. 	4	
		1.3	Recognising the benefits of partnerships and collaborative working where added value can be achieved.	<ul style="list-style-type: none"> <i>Effective operation of partnerships which deliver agreed outcomes</i> Service Level Agreements with Dundee City 	4	

				Council for services provision, and annual review meeting to assess success needs for both parties.		
		1.4	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	<ul style="list-style-type: none"> • <i>Workforce plan</i> • <i>Organisational development plan</i> • A structural bridge inspection plan is in-place and monitored by the Bridge's Maintenance Manager. • Strategic Plan 2019-2024 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE E (Continued)		Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
2	Developing the capability of the entity's leadership and other individuals	2.1	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	<ul style="list-style-type: none"> • <i>Job descriptions</i> • <i>Chief executive and leader pairings have considered how best to establish and maintain effective communication</i> • Standing Orders Scheme of Delegation 	4	
		2.2	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.	<ul style="list-style-type: none"> • <i>Scheme of delegation reviewed at least annually in the light of legal and organisational changes</i> • <i>Standing orders and financial regulations which are reviewed on a regular basis</i> • Standing Orders Scheme of Delegation Tender Procedures Financial Regulations 	4	
		2.3	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a	<ul style="list-style-type: none"> • <i>Clear statement of respective roles and responsibilities and how they will be put into practice</i> 	N/A	

			structure, whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.	<ul style="list-style-type: none"> • TRBJB does not have these distinct roles within its structure due to the size and function of the organisation. 		
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Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE E (Continued)		Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		2.4	Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:	<ul style="list-style-type: none"> • <i>Access to courses/information briefings on new legislation</i> • Continuous Professional Development for Bridge Manager and his staff. • Induction training for new members. • Equalities and Human Rights Training delivered to all staff 2019. • Maintaining SLA's with DCC Legal. 	4	
		2.4 a)	ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.	<ul style="list-style-type: none"> • <i>Induction programme</i> • <i>Personal development plans for members and officers</i> • Staff Training Plan. • Employee Appraisal process. • Training Matrix that links to job competence and H&S requirements for all roles is monitored by Bridge Management and monies set aside in revenue budget every year to ensure this is an ongoing process. Review of staff training undertaken at management meetings. • Induction training for new members. 	4	

				<ul style="list-style-type: none"> Equalities and Human Rights Training delivered to all staff 2019. 		
		2.4 b)	ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.	<ul style="list-style-type: none"> <i>For example, for members this may include the ability to:</i> <ul style="list-style-type: none"> <i>scrutinise and challenge</i> <i>recognise when outside expert advice is required</i> <i>promote trust</i> <i>work in partnership</i> <i>lead the organisation</i> <i>act as a community leader</i> <i>Efficient systems and technology used for effective support</i> Staff Training Plan. Employee Appraisal process. Induction training for new members. Equalities and Human Rights Training delivered to all staff 2019. 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE E (Continued)		Developing the entity's capacity, including the capability of its leadership and the individuals within it				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		2.4 c)	ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from both internal and external governance weaknesses.	<ul style="list-style-type: none"> <i>Arrangements for succession planning</i> Annual Governance Statement's Continuous Improvement Agenda. Local Code of Corporate Governance Recommendations from Internal and External Audit reviews are acted upon. 	4	
		2.5	Ensuring that there are structures in place to encourage public participation.	<ul style="list-style-type: none"> <i>Residents' panels</i> <i>Stakeholder forum terms of reference</i> <i>Strategic partnership frameworks</i> Members of the public can contact the 	3	A public questionnaire was issued on social media with the aim of

				bridge with any queries through www.tayroadbridge.co.uk or through elected members, whether represented on the board or otherwise.		gathering information to help improve the website.
		2.6	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.	<ul style="list-style-type: none"> • <i>Reviewing individual member performance on a regular basis taking account of their attendance and considering any training or development needs</i> • <i>Peer reviews</i> 	3	Bridge manager development reviews need to be re-established following change of Engineer to the Board
		2.7	Holding staff to account through regular performance reviews which take account of training or development needs.	<ul style="list-style-type: none"> • <i>Training and development plan</i> • <i>Staff development plans linked to appraisals</i> • <i>Implementing appropriate human resource policies and ensuring that they are working effectively</i> • Employee Appraisal process. • Staff Training Plan. 	3	Staff appraisal delivery responsibilities needs to be reviewed following staff retirements
		2.8	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	<ul style="list-style-type: none"> • <i>Human resource policies</i> • SLA with People Asset Management (PAM) Occupational Health Provider. • Mindfulness & Stress Management Courses were introduced in 2018/2019 and will form part of the regular staff training programme. 	3	Further courses are planned for 2020 to cover Recognising Stress and Staff Resilience.

Developing the entity's capacity, including the capability of its leadership and the individuals within it	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations	1			5	9	15

Have there been any significant / critical events relating to Principle 5 during the financial year? If yes, please provide details.

Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.	
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Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:

Further Guidance:

[The Standards Commission for Scotland](#)

[Councillors' Code of Conduct](#)

[Code of Ethics for Public Service Managers - Consultation](#) (Solace, 2015)

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE F		Managing risks and performance through robust internal control and strong public financial management				
		<p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.</p> <p>A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.</p> <p>It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
1	Managing Risk	1.1	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.	<ul style="list-style-type: none"> <i>Risk management protocol</i> Risk Management Strategic Plan & Strategic Risk Register 	4	
		1.2	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	<ul style="list-style-type: none"> <i>Risk management strategy/ policy formally approved, adopted, reviewed and updated on a regular basis</i> Risk Management Strategic Plan & Strategic Risk Register 	4	
		1.3	Ensuring that responsibilities for managing individual risks are clearly allocated.	<ul style="list-style-type: none"> <i>Risk management protocol</i> Risk Management Strategic Plan & Strategic Risk Register 	4	
2	Managing Performance	2.1	Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review.	<ul style="list-style-type: none"> <i>Performance map showing all key activities have performance measures</i> <i>Benchmarking information</i> <i>Cost performance (using inputs and outputs)</i> <i>Calendar of dates for submitting, publishing and distributing timely reports that are adhered to</i> 	4	

				<ul style="list-style-type: none"> Contract spreadsheet has a column for the responsible officer to make comment on performance. On larger contracts meetings are held annually with service providers to discuss needs for both parties. Strategic Plan 2019-2024 		
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Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE F (Continued)		Managing risks and performance through robust internal control and strong public financial management				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		2.2	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.	<ul style="list-style-type: none"> <i>Discussion between members and officers on the information needs of members to support decision making</i> <i>Publication of agendas and minutes of meetings</i> <i>Agreement on the information that will be needed and timescales</i> Board Minutes and relevant documents Board Documents are published on the Board's website: www.tayroadbridge.co.uk Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year. Appointing professional Consultants to advise on projects/ maintenance requirements to gain independent advice. 	4	
		2.3	Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation	<ul style="list-style-type: none"> <i>The role and responsibility for scrutiny has been established and is clear</i> <i>Agenda and minutes of scrutiny meetings</i> <i>Evidence of improvements as a result of scrutiny</i> <i>Terms of reference</i> <i>Training for members</i> <i>Membership</i> 	4	

			<p>for which it is responsible.</p> <p>(OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.</p>	<ul style="list-style-type: none"> • External Audit reports are reported to the Board and recommendations are acted upon. • Internal Auditors comply with Public Sector Internal Audit Standards. • Internal Audit reviews are reported to the Board and recommendations are acted upon. • Internal Audit Follow Up reports on progress against recommendations are reported to the Board. 		
		2.4	<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.</p>	<ul style="list-style-type: none"> • <i>Calendar of dates for submitting, publishing and distributing timely reports that are adhered to</i> • Calendar of reporting deadlines provided by Committee Services at the beginning of each calendar year. • Regular reports Board Minutes submitted to the Board include Revenue & Capital Monitoring, Engineer's report, Operational Restrictions & Closures. • Strategic Plan 2019-2024 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE F (Continued)		Managing risks and performance through robust internal control and strong public financial management				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		2.5	Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements).	<ul style="list-style-type: none"> Financial standards, guidance Financial regulations and standing orders Standing Orders Scheme of Delegation Tender Procedures Financial Regulations Revenue and Capital Budgets, Revenue and Capital Monitoring, and Annual Accounts have consistency in how they are presented. Major Capital projects are reported against budget within Engineer's reports. 	4	
3	Robust Internal Control	3.1	Aligning the risk management strategy and policies on internal control with achieving objectives.	<ul style="list-style-type: none"> Risk management strategy Audit plan Audit reports Risk Management Strategic Plan & Strategic Risk Register External Auditor's Annual Audit Plan reported to Board and any recommendations are acted upon. Internal Audit produce an Audit Needs Assessment & Strategic Plan at the start of their three yearly contract and update their Audit Plan annually. Internal Audit reviews are reported to the Board and recommendations are acted upon. Internal Audit Follow Up reports on progress against recommendations are reported to the Board. 	4	
		3.2	Evaluating and monitoring risk management and internal control on a regular basis.	<ul style="list-style-type: none"> Risk management strategy/ policy has been formally approved and adopted and is reviewed and updated on a regular basis Risk Management Strategic Plan & Strategic 	4	

				Risk Register <ul style="list-style-type: none"> Bridge Manager meets annually with Risk Manager for Dundee City Council to review Risk Management Register. 		
		3.3	Ensuring effective counter fraud and anti-corruption arrangements are in place.	<ul style="list-style-type: none"> <i>Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014)</i> Fraud Guidelines Anti-Bribery Policy 	4	
		3.4	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	<ul style="list-style-type: none"> <i>Annual governance statement</i> <i>Effective internal audit service is resourced and maintained</i> Annual Governance Statement. Local Code of Corporate Governance Internal Audit provision is outsourced, via a tender process, to a private sector audit firm. 	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE F (Continued)		Managing risks and performance through robust internal control and strong public financial management				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		3.5	Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment. that its recommendations 	<ul style="list-style-type: none"> <i>Audit committee complies with best practice – see Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013) (Cost £175)</i> <i>Terms of reference</i> <i>Membership</i> <i>Training</i> TRBJB does not have a separate audit committee or equivalent group due to size and function of the organisation. The Board fulfils this role. 	N/A	

			are listened to and acted upon.			
4	Managing Data	4.1	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.	<ul style="list-style-type: none"> • <i>Data management framework and procedures</i> • <i>Designated data protection officer</i> • <i>Data protection policies and procedures</i> • Data Protection Policy • Freedom of Information Policy • Data Protection & CCTV Procedures • SLA with Dundee City Council IT Services to include all up to date safeguards with respect to data security. Individual work drives secured requiring login and all personal data is locked for senior management access only. • Guidance for Information, Records Management & Preservation of Archival Records • SAR Procedures, Data Breach Flow Chart, & Data Breach Procedures have been developed and are available on TRBJB website. • A CCTV Privacy Statement and Policy, and a Privacy Statement for the TRBJB website has also been introduced, along with a Cookie Policy. 	3	Further review required with DCC Information Governance Manager.
		4.2	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	<ul style="list-style-type: none"> • <i>Data sharing agreement</i> • <i>Data sharing register</i> • <i>Data processing agreements</i> • Data Protection Policy • Freedom of Information Policy • Data Protection & CCTV Procedures 	3	Further review required with DCC Information Governance Manager.

PRINCIPLE F (Continued)		Managing risks and performance through robust internal control and strong public financial management				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		4.3	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	<ul style="list-style-type: none"> • <i>Data quality procedures and reports</i> • <i>Data validation procedures</i> • Annual Accounts process subject to External Audit. • A programme of Internal Audit reviews covering a wide range of systems and processes. 	4	
5	Strong Public Financial Management	5.1	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.	<ul style="list-style-type: none"> • <i>Financial management supports the delivery of services and transformational change as well as securing good stewardship</i> • Senior management receive regular financial reports to enable financial management. • Regular meetings are held to support the Revenue and Capital Monitoring and reporting process. 	3	TRBJB Bridge manager to introduce a form that allows DCC procurement to approve/ challenge to decisions to waiver tender procedures to provide a third party check and balance on TRBJB.
		5.2	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	<ul style="list-style-type: none"> • <i>Budget monitoring reports</i> • Regular Revenue and Capital Monitoring Reports are reported to the Board and published on the website Board Minutes 	4	

Managing risks and performance through robust internal control and strong public financial management	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations	1			3	14	18

Have there been any significant / critical events relating to Principle 6 during the financial year? If yes, please provide details.

Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.

Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:

Further Guidance:

National Fraud Initiative: [National Fraud Initiative](#)

[From Bolt-on to Built-in: Managing Risk as an Integral Part of Managing an Organization](#) (IFAC, 2015)

[Code of Practice on Managing the Risk of Fraud and Corruption](#) (CIPFA, 2014)

[Whole System Approach to Public Financial Management](#) (CIPFA, 2012)

[The Role of the Head of Internal Audit in Public Service Organisations](#) (CIPFA, 2019)

[Following the Public Pound](#) (Audit Scotland, 2004)

[Safeguarding Public Money: Are you getting it right?](#) (Audit Scotland, 2019)

Information Commissioner's Office (ICO): <https://ico.org.uk/>

ICO Guide to Data Protection: <https://ico.org.uk/for-organisations/guide-to-data-protection/>

Scottish Information Commissioner: <http://www.itspublicknowledge.info/home/ScottishInformationCommissioner.aspx>

Records Retention Schedules from Scottish Council on Archives: <https://www.scottisharchives.org.uk/resources/scars/>

Freedom of Information Act: <http://www.dundecity.gov.uk/foisa>

Data Protection Act: <https://www.dundecity.gov.uk/supportservs/dataprotection/>

General Data Protection Regulation: <https://onedundee.dundecity.gov.uk/news/gdpr-employee-handbook>

[Spotting the Signs of Serious Organised Crime](#) (Police Scotland, 2019)

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE G		Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
		Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
1	Implementing Good Practice in Transparency	1.1	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	<ul style="list-style-type: none"> Website Board Minutes and relevant documents Board Documents are published on the Board's website: http://www.tayroadbridge.co.uk/ Annual Accounts 2018/2019 Audited Accounts includes the Bridge Manager's report which provides an outline of the Board's activities. 	4	
		1.2	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.	<ul style="list-style-type: none"> Annual Report Annual Accounts 2018/2019 Audited Accounts 	4	
2	Implementing Good Practices in Reporting	2.1	Reporting at least annually on performance, value for money and the stewardship of its resources.	<ul style="list-style-type: none"> Formal annual report which includes key points raised by external scrutineers and service users' feedback on service delivery Annual financial statements Annual Accounts 2018/2019 Audited Accounts Annual Report by Internal Audit. Regular reports Board Minutes submitted to the Board include Revenue & Capital Monitoring, Engineer's report, Operational 	4	

			Restrictions & Closures.		
		2.2	Ensuring members and senior management own the results.	<ul style="list-style-type: none"> • <i>Appropriate approvals</i> • Reports to the Board are submitted for approval from Board Members Board Minutes 	4

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE G (Continued)		Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
		2.3	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement).	<ul style="list-style-type: none">• <i>Annual governance statement</i>• Annual Governance Statement reported to Board and published on website Board Minutes• Local Code of Corporate Governance	4	
		2.4	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.	<ul style="list-style-type: none">• <i>Annual governance statement</i>• N/A.	N/A	
		2.5	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.	<ul style="list-style-type: none">• <i>Format follows best practice</i>• Annual Accounts are published in accordance with statutory regulations.	4	

Tay Road Bridge Joint Board: SELF ASSESSMENT FOR LOCAL CODE OF CORPORATE GOVERNANCE

PRINCIPLE G (Continued)		Implementing good practices in transparency, reporting, and audit to deliver effective accountability				
Sub-Principle		Behaviours and actions that demonstrate good governance in practice.		Examples of systems, processes, documentation and other evidence demonstrating compliance	Evaluation Level (1 - 4)	Areas Requiring Improvement
3	Assurance and Effective Accountability	3.1	Ensuring that recommendations for corrective action made by external audit are acted upon.	<ul style="list-style-type: none"> • <i>Recommendations have informed positive improvement</i> • External Audit reports are reported to the Board and recommendations are acted upon. 	4	
		3.2	Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.	<ul style="list-style-type: none"> • <i>Compliance with CIPFA's Statement on the Role of the Head of Internal Audit (2019)</i> • <i>Compliance with Public Sector Internal Audit Standards</i> • Internal Auditors comply with Public Sector Internal Audit Standards. • Internal Audit reviews are reported to the Board and recommendations are acted upon. • Internal Audit Follow Up reports on progress against recommendations are reported to the Board. 	4	
		3.3	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	<ul style="list-style-type: none"> • <i>Recommendations have informed positive improvement</i> • External Auditors are appointed. 	4	
		3.4	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	<ul style="list-style-type: none"> • <i>Annual governance statement</i> • N/A. 	N/A	
		3.5	Ensuring that when working in partnership, arrangements for	<ul style="list-style-type: none"> • <i>Community strategy</i> 	N/A	

			accountability are clear and that the need for wider public accountability has been recognised and met.	<ul style="list-style-type: none"> N/A. 		
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Implementing good practices in transparency, reporting, and audit to deliver effective accountability	n/a	1	2	3	4	TOTAL
Summary of Number of Evaluations	3				9	12

Have there been any significant / critical events relating to Principle 7 during the financial year? If yes, please provide details.	
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Are there any examples of best practice (or exceeding best practice) in the Board? If yes, please provide details.	
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Links to relevant Tay Road Bridge Policies, Procedures and Guidelines:

Further Guidance:

[The Role of the Head of Internal Audit in Public Service Organisations](#) (CIPFA, 2019)
[Following the Public Pound](#) (Audit Scotland, 2004)
[Building Partnerships: Insights from the Devolution Summit](#) (CIPFA/Grant Thornton, 2015)
[Whole System Approach to Public Financial Management](#) (CIPFA, 2012)
[Good Governance Principles for Partnership Working](#) (Audit Scotland, 2011)
[Arm's-length External Organisations \(ALEOs\): Are you getting it right?](#) (Audit Scotland, 2011)
[Safeguarding Public Money: Are you getting it right?](#) (Audit Scotland, 2019)

REPORT TO: TAY ROAD BRIDGE JOINT BOARD

REPORT ON: ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31 MARCH 2020

REPORT BY: TREASURER

REPORT NO: TRB 7-2020

1 PURPOSE OF REPORT

To present to the Joint Board the Annual Governance Statement for approval and inclusion in the unaudited Annual Accounts for the year ended 31 March 2020 which is also being submitted to the Joint Board.

2 RECOMMENDATIONS

It is recommended that the Joint Board:

- i notes the contents of this covering report;
- ii approves the Annual Governance Statement which is included as an Appendix to this report; and
- iii instructs the Treasurer to include the Annual Governance Statement in the Annual Accounts for the year to 31 March 2020.

3 FINANCIAL IMPLICATIONS

None.

4 BACKGROUND

- 4.1 The relevant statutory provisions regarding the preparation of the Joint Board's Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations 2014. Section 5 of these regulations require that "...the local authority must conduct a review at least once in each financial year of the effectiveness of its system of internal control. The findings of the review... must be considered at a meeting of the local authority... (and) following consideration of the findings of the review... that authority must approve an annual governance statement." There is no requirement to have separate meetings for the consideration of the findings and then the approval of the annual governance statement. Both may be undertaken at the same meeting.
- 4.2 As in previous years the Annual Accounts (including the Annual Governance Statement) have been prepared in accordance with the Code of Practice on Local Authority Accounting (the Code) which stipulates that the following information should be included in the Annual Governance Statement:
- i. An acknowledgement of responsibility for ensuring there is a sound system of governance;
 - ii. An indication of the level of assurance that the systems and processes that comprise the Joint Board's governance arrangements can provide;
 - iii. A brief description of the key elements of the governance framework;
 - iv. A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some

comment on the role of the Joint Board, internal audit and other explicit reviews/assurance mechanisms;

- v. An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan; and
- vi. A specific statement on whether the Joint Board's financial management arrangements conform with the governance requirements of the CIPFA (Chartered Institute of Public Finance & Accountancy) *Statement on the Role of the Chief Financial Officer in Local Government* (2016) as set out in the CIPFA's *Delivering Good Governance in Local Government: Framework* (2016); and where they do not, an explanation of how they deliver the same impact.

4.3 The Annual Governance Statement for the year ended 31 March 2020 is included on Appendix A.

5 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6 CONSULTATIONS

The Clerk, Bridge Manager and Engineer to the Joint Board have been consulted in the preparation of this report and are in agreement with the contents.

7 BACKGROUND PAPERS

CIPFA: Code of Practice on Local Authority Accounting in the UK 2019/2020;
The Local Authority Accounts (Scotland) Regulations 2014;
CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016); and
CIPFA's Delivering Good Governance in Local Government: Framework (2016).

GREGORY COLGAN
TREASURER

11 JUNE 2020

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

Roger Mennie

Roger Mennie
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

Lynne Short

Cllr Lynne Short
Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

Jonny Tepp

Cllr Jonny Tepp
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

APPENDIX A

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.

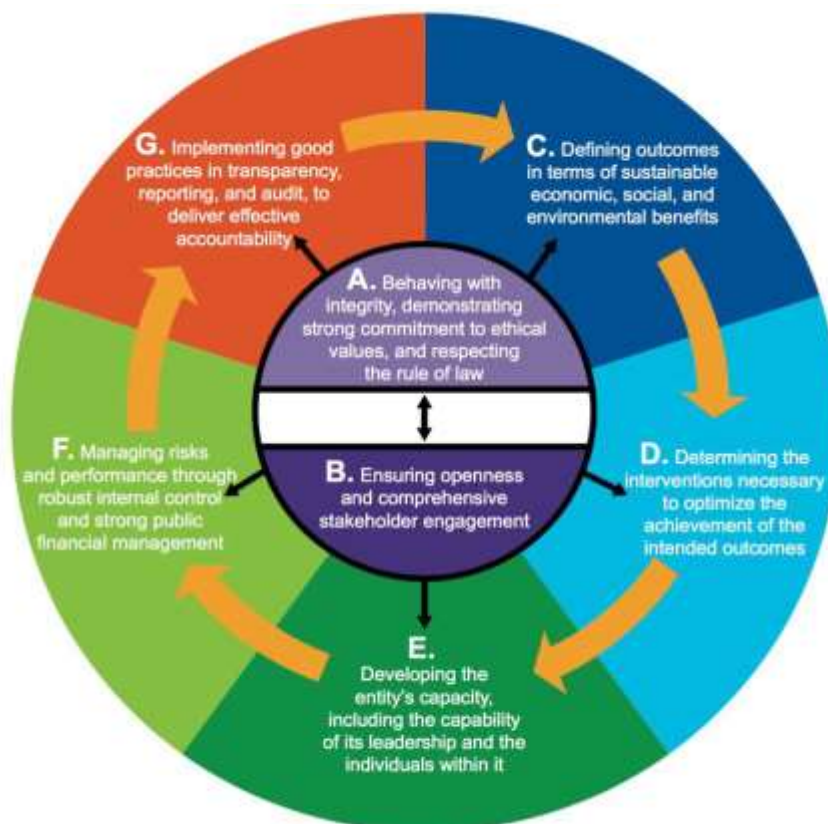
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Joint Board will be asked to approve and adopt 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.

The overall control arrangements include:

- Reporting performance 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;
- Setting targets to measure financial and service performance;
- 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, Tay Road Bridge Joint Board operates adequate and effective internal control systems and proper arrangements are in place to promote and secure Value for Money.

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.

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 are detailed in Appendix 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 on Appendix 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.

It is proposed that during 2020/2021 steps are 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 Short
Chair
Tay Road Bridge Joint Board
14 September 2020

Alan Hutchison
Bridge Manager
Tay Road Bridge Joint Board
14 September 2020

TAY ROAD BRIDGE JOINT BOARD**IMPROVEMENT AGENDA FOR 2019/2020**

ORIGINAL IMPROVEMENT AGENDA						PROGRESS UPDATE	
Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details from last year's Local Code of Corporate Governance report (TRB 12-2019).	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	30/12/2019	Carried forward from 2018/2019. In progress.	3/12/2019.	All staff have now completed this training.
2 Training for Bridge Management to avoid unconscious bias recruitment.	A	2.1	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.		In progress. Equate Scotland have been contracted to provide training during 2020. Original training date of 29 June 2020 has been postponed due to Covid19 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	Carried forward from 2018/2019. In progress.		In progress. Privacy Statements posted on line for: <ul style="list-style-type: none"> • Employee; • New Employee; • CCTV; • Website; • Subject Access Request and Data Breach Documentation complete and staff made aware; & • Review meeting to be held with DCC data protection compliance officer by June 2020. 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	Carried forward from 2018/2019. In progress.		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 TRBJB before being rolled out by September 2020. Carried forward to 2020/2021.*
5	Introduce Mental Health awareness initiatives for the workforce.	E	2.8	Bridge Manager	31/03/2020	Carried forward from 2018/2019. In progress.	25/6/2019.	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	Source: Local Code of Corporate Governance checklist & Internal Audit Report (2019/2): Compliance with Legislation.		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	Source: Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).	-	Outstanding action. Aim for completion by September 2020 Board. Carried forward to 2020/2021.*
8	Develop Anti-Bribery Policy.			Treasurer	31/03/2020	Source: Annual Governance Statement Self-Assessment Checklist.	2/12/2019.	Approved at December 2019 Board meeting.

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

TAY ROAD BRIDGE JOINT BOARD**IMPROVEMENT AGENDA FOR 2020/2021**

Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details
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 D E	2.1, 3.1 & 3.3 1.2 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	30/9/2020	Carried forward from 2019/2020. 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	30/9/2020	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	31/3/2021	Source: Local Code of Corporate Governance checklist.
8 Bridge manager development and performance review to be re-established.	E	2.6	Engineer	31/3/2021	Source: Local Code of Corporate Governance checklist.

9	Introduce procedure that allows DCC procurement to approve / challenge bridge officer decisions to waive 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 Construction Design Management (CDM) 2015 Regulations.			Bridge Manager	30/9/2020	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	30/9/2020	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 TRBJB to recruit more effectively at all levels.			Bridge Manager	31/3/2021	Source: Annual Governance Self-Assessment Checklist.
13	Review TRBJB's response to the Covid 19 crisis.			Bridge Manager	31/3/2021	

REPORT TO: TAY ROAD BRIDGE JOINT BOARD

REPORT ON: UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

REPORT BY: TREASURER

REPORT NO: TRB 8-2020

1 PURPOSE OF REPORT

To provide some additional commentary on the unaudited Annual Accounts for the year ended 31 March 2020 which is being submitted to the Tay Road Bridge Joint Board along with this report.

2 RECOMMENDATIONS

It is recommended that the Joint Board:

- I notes the contents of this covering report;
- li notes the unaudited Annual Accounts which have been submitted along with report;
- lii instructs the Treasurer to submit the Annual Accounts to the Controller of Audit, Accounts Commission for Scotland; and
- IV notes that the key assumptions underpinning the independent actuaries' calculation of the Board's IAS 19 liability have been reviewed and accepted by Dundee City Council as administering authority for the Pension Fund.

3 FINANCIAL IMPLICATIONS

The Joint Board's 2019/2020 Movement in Reserves Statement shows that there was a £35,000 underspend during the year after the required accounting adjustments. This gives a total General Reserve Balance of £1,160,591 as at 31 March 2020.

4 BACKGROUND

- 4.1 The relevant statutory provisions regarding the preparation of the Joint Board's Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations 2014. Section 8 of these regulations requires that "... all the accounts of the local authority are made up and balanced as soon as practicable after the year end of each financial year and that sufficient copies of an abstract of the said accounts for each financial year are prepared ... and submitted to the authority and submitted to the appointed Auditor not later than 30 June in the next financial year...".
- 4.2 As in previous years the Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting (the Code). There are no significant changes included within the 2019/2020 Code, that impact upon the Joint Board's Accounts.
- 4.3 The Annual Accounts already include a detailed commentary on the figures contained therein and it is not intended to repeat this in this covering report. It is however, worth reiterating a few of the more salient points.

- 4.4 During the financial year the Joint Board received quarterly revenue monitoring reports to keep the members fully apprised as to actual spend-to-date and the projected revenue outturn position. The Joint Board's 2019/2020 Movement in Reserves Statement shows that there was £35,000 underspend against budget during the year. The main variances were as follows:

	£000
Administration underspend	(9)
Operations underspend	(9)
Plant and Equipment underspend	(60)
Bridge Maintenance underspend	(47)
Financing and Investment Income and Expenditure underspend	(3)
Non-Specific Grant Income unapplied	375
Other accounting adjustments underspend	<u>(282)</u>
TOTAL	<u>(35)</u>

Further details of the other areas of under and overspend together with reasons for these variances are included on page 13 of the Annual Accounts. The overall effect of the above resulted in a closing General Reserve Balance of £1,160,591 as at 31 March 2020.

- 4.5 On 3 December 2018, the Joint Board approved a 2019/2020 Capital Expenditure Programme (Report TRB 24-2018) for various works on the bridge and other miscellaneous capital purchases totalling £1,795,000 which would be funded by capital grant from the Scottish Government and Capital Funded from Current Revenue (CFCR). The Joint Board received quarterly capital monitoring reports to keep members fully apprised as to the actual spend-to-date and the projected capital expenditure outturn position. The last projected outturn on the capital programme of £1,015,000 was reported to the Joint Board on 2 March 2020, (report TRB 2-2020 refers).

During the financial year 2019/2020, the Joint Board incurred capital expenditure of £712,000, i.e. an underspend of £1,083,000 against the approved capital budget. The variance against the original budget relates to net budget savings during the year of £263,000 and slippage to 2020/2021 of £820,000.

- 4.6 Copies of the enclosed Accounts will now be sent to the Controller of Audit at the Accounts Commission for Scotland. He will then instruct the Joint Board's appointed external auditor (Mr Bruce Crosbie, Senior Audit Manager, Audit Scotland) to commence his audit of the Accounts. The outcome of the audit will be reported back to the Joint Board in due course.

5 **POLICY IMPLICATIONS**

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6 CONSULTATIONS

The Clerk, Bridge Manager and Engineer to the Joint Board have been consulted in the preparation of this report and are in agreement with the contents.

7 BACKGROUND PAPERS

None.

GREGORY COLGAN
TREASURER

11 JUNE 2020

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

Roger Mennie

Roger Mennie
Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

Lynne Short

Cllr Lynne Short
Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

Jonny Tepp

Cllr Jonny Tepp
Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

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Tay Road Bridge



TAY ROAD BRIDGE JOINT BOARD

ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

UNAUDITED



JUNE 2020

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**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 TRBJB 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.

SESTRAN 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
Comparator figures for 2018/2019:					
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 will be 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	Years	Reportable Incidents Involving Employees	Minor Accidents Involving Employees	Time Lost – Employees (Hrs)
	(Target = Reduction Year on Year)		(Target = 0)	(Target = 0)	(Target = 0)
2015	6	2015	0	2	0
2016	2	2016	0	2	24
2017	9	2017	0	2	0
2018	9	2018	0	3	16
2019	2	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 TRBJB. 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 Complaints Responded to	Target = 100% of Complaints Responded to
2015	7	7	7	36	36	36
2016	10	10	10	77	77	77
2017	4	4	4	28	28	28
2018	6	6	6	50	50	50
2019	1	1	1	28	28	28
2020 (to 31 March 2020)	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

Years	Staff Sickness (Average Days per Annum)
	Target = <5
2015	17.45
2016	5.76
2017	6.98
2018	7.55
2019	29.5
2020 (to 31 March 2020)	8.57

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
	Target = 100%
2015/16	98.06%
2016/17	98.81%
2017/18	98.86%
2018/19	98.85%
2019/20	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
Total	21	22	22	22



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.

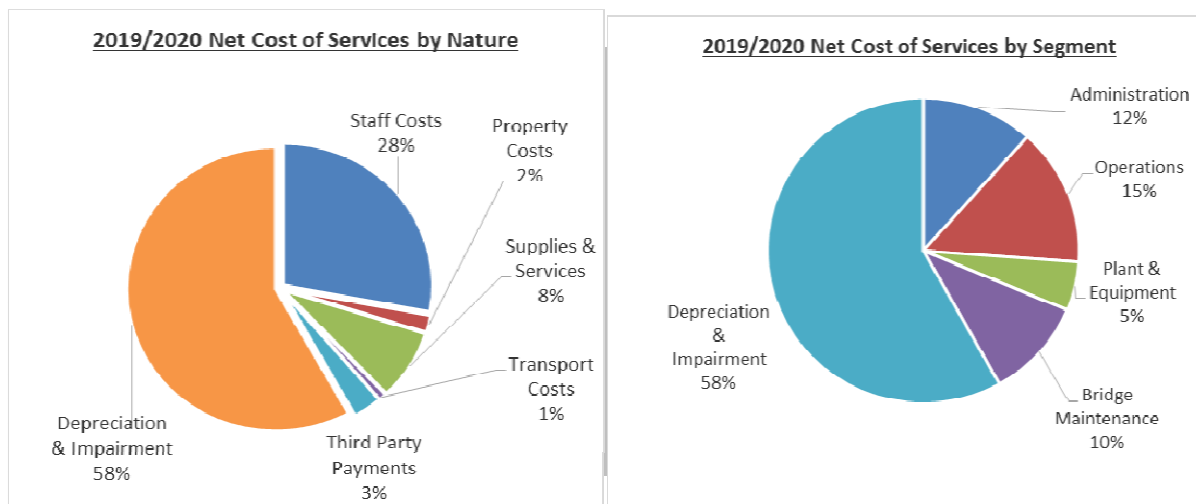
TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

	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	-
Net Cost of Services	1,771	(150)	2,215	(3)	5	-	-	166	4,004	3,879	(125)
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
(Surplus) / Deficit on Provision of Service	35	(150)	2,215	-	5	(6)	(188)	186	2,097	2,344	247
(Surplus) / Deficit on Revaluation of PPE	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	-	(36)	(36)	(36)	-
Total Comprehensive Income & Expenditure	35	(150)	2,215	-	5	(6)	(188)	150	2,061	2,308	247
IAS 19 Adjustments	-	-	-	-	-	-	-	(150)	(150)	(155)	(5)
Other IFRS Code Accounting Adjustments	-	150	(2,215)	-	(5)	6	188	-	(1,876)	(2,153)	(277)
Total (Surplus)/ Deficit	35	-	-	-	-	-	-	-	35	-	(35)
General Reserve Balance b/fwd	(1,161)	-	-	-	-	-	-	-	(1,161)	(1,161)	-
General Reserve Balance c/fwd	(1,126)	-	-	-	-	-	-	-	(1,126)	(1,161)	(35)

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.

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 CFCR.

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.

During 2019/2020, the Board incurred capital expenditure of £712,000 on the following projects:-

	£000
Capital Expenditure:	
New Vehicles	48
Carriageway Resurfacing	10
Inspection of Piers and Columns	78
Cathodic Protection Monitoring Equipment	124
Replacement of Expansion Joints	28
Bridge Office Refurbishment	263
New Switch Gear	34
LED Lighting to Bridge and Fife Car Park	70
Other Projects	57
	712

Capital expenditure was funded as follows:

	£000
Capital Grant from the Scottish Government	649
CFCR	57
Insurance Receipts	6
	712

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:

- 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 its 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.

Gregory Colgan,
BAcc (Hons), ACMA, CGMA

Treasurer
Tay Road Bridge
Joint Board
14 September 2020

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

Bridge Manager
Tay Road Bridge
Joint Board
14 September 2020

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.

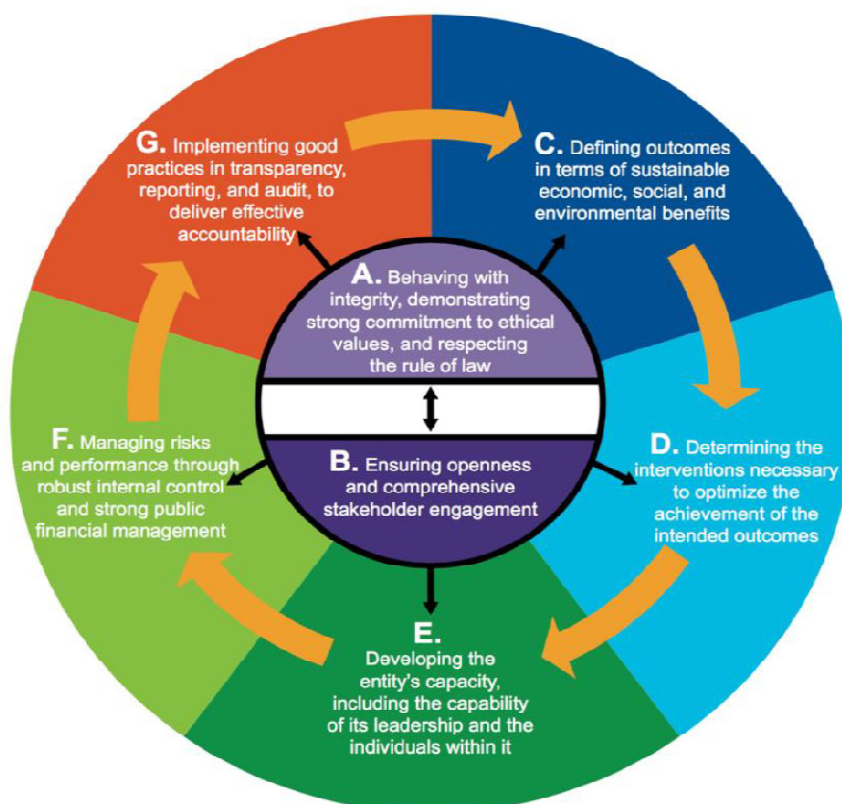
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

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, Tay Road Bridge Joint Board operates adequate and effective internal control systems and proper arrangements are in place to promote and secure Value for Money.

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.

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;

TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

- 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 Short
Chair
Tay Road Bridge Joint Board
14 September 2020

**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: • Employee; • New Employee; • CCTV; • Website; • Subject Access Request and Data Breach Documentation complete and staff made aware, and • Review meeting to be held with DCC data protection compliance officer by June 2020. 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 TRBJB 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

	Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details
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	30/09/2020	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	30/09/2020	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	30/09/2020	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	30/09/2020	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 TRBJB to recruit more effectively at all levels.			Bridge Manager	31/03/2021	Source: Annual Governance Self-Assessment Checklist.
13	Review TRBJB'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 Employees	No of Employees
	2019/2020	2018/2019
£50,000 - £54,999	0	0
£55,000 - £59,999	1	1
Total	1	1

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 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 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 Short
Chair
Tay Road Bridge Joint Board
14 September 2020

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

Councillor Name	Responsibility	Salary, Fees & Allowances	Taxable Expenses	Total Remuneration 2019/2020	Total Remuneration 2018/2019
		£	£	£	£
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
Total		4,910	17	4,927	4,857

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

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

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

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

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 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.



Gregory Colgan, BAcc (Hons), ACMA, CGMA
Treasurer
Tay Road Bridge Joint Board
11 June 2020

TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

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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

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

2018/2019

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

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 Net Expenditure / (Income) £000	2019/2020 Net Expenditure / (Income) £000
Expenditure:		
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
Total Expenditure	3,512	3,879
Income:		
Fees, Charges & Other Service Income	(26)	(7)
Interest & Investment Income	(14)	(15)
Government Grants & Contributions	(872)	(1,513)
Total Income	(912)	(1,535)
(Surplus) or Deficit on Provision of Services	2,600	2,344

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
Expenditure						
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
3,512	-	3,512	4,004	3,879	-	3,879
Net Cost Of Services						
-	(26)	(26)	(7)	-	(7)	(7)
23	(37)	(14)	(12)	20	(35)	(15)
-	(872)	(872)	(1,888)	-	(1,513)	(1,513)
3,535	(935)	2,600	2,097	3,899	(1,555)	2,344
Net Deficit on Provision of Services						
-	-	-	-	-	-	-
Net deficit on revaluation of PPE						
-	(172)	(172)	(36)	-	(36)	(36)
-	(172)	(172)	(36)	-	(36)	(36)
Other Comprehensive Income and Expenditure						
3,535	(1,107)	2,428	2,061	3,899	(1,591)	2,308
Total Comprehensive Income and Expenditure						

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.

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

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
67,668	Total Long Term Assets		66,160
56	Inventories	22	56
38	Short Term Debtors	23	171
4,406	Cash and Cash Equivalents	13	1,333
4,500	Total Current Assets		1,560
(2,767)	Short Term Creditors	24	(472)
(2,767)	Total Current Liabilities		(472)
(809)	Net Pension Liabilities	15	(964)
(809)	Total Long Term Liabilities		(964)
68,592	Net Assets		66,284
1,806	Usable reserves	9	1,161
66,786	Unusable Reserves	10	65,123
68,592	Total Reserves		66,284



Gregory Colgan, BAcc (Hons), ACMA, CGMA
Treasurer
Tay Road Bridge Joint Board
11 June 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.

2018/2019		2019/2020
£000		£000
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
(102)	Net cash flows from Operating Activities	2,778
(405)	Investing Activities (note 11)	327
(17)	Financing Activities (note 12)	(32)
(524)	Net (Increase) in cash and cash equivalents	3,073
3,882	Cash and cash equivalents at the beginning of the reporting period	4,406
4,406	Cash and cash equivalents at the end of the reporting period (note 13)	1,333

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.

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;

- 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.

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.

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

- 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.

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.

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

There were no relevant accounting standards that have been issued but are not yet adopted in the 2019/2020 Code of Practice on Local Authority Accounting in the United Kingdom.

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.

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:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	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.

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 Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Movement in</u>	<u>Total</u>
	<u>General Fund Balance</u>	<u>Capital Receipts Reserve</u>	<u>Capital Grants Unapplied Account</u>	<u>Unusable Reserves</u>	<u>2019/2020</u>	<u>£000</u>
<u>2019/2020</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>		<u>£000</u>
Adjustments involving the Capital Adjustment Account:						
<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)		-
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	6	(6)	-	-		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	6	-	(6)		-
Adjustments involving the Capital Grants Unapplied Account:						
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	645	(645)		-
Adjustments involving the Pensions Reserve:						
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(325)	-	-	325		-
Employer's pensions contributions and direct payments to pensioners payable in the year	134	-	-	(134)		-
Adjustment involving the Accumulating Compensated Absences Adjustment Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(5)	-	-	5		-
Total Adjustments	(2,344)	-	645	1,699		-

	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>		
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000	Total 2018/2019 £000
2018/2019					
Adjustments involving the Capital Adjustment Account:					
<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)	-
Adjustments involving the Capital Receipts Reserve:					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12	(12)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	12	-	(12)	-
Adjustments involving the Capital Grants Unapplied Account:					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	902	(902)	-
Adjustments involving the Pensions Reserve:					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(270)	-	-	270	-
Employer's pensions contributions and direct payments to pensioners payable in the year	130	-	-	(130)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	-	-	(2)	-
Total Adjustments	(2,600)	-	902	1,698	-

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2018/2019		2019/2020
£000		£000
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)
(14)	Total	(15)

8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME

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

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

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

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

2018/2019		2019/2020
£000		£000
<u>762</u>	Balance at 1 April	<u>762</u>
-	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>762</u>	Balance at 31 March	<u>762</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.

2018/2019		2019/2020
£000		£000
<u>68,392</u>	Balance at 1 April	<u>66,833</u>
	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>	Net written out amount of the cost of non current assets consumed in the year	<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>389</u>	Total Capital Financing Applied during the year	<u>712</u>
<u>66,833</u>	Balance at 31 March	<u>65,330</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)	Balance at 1 April	(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)	Balance at 31 March	(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)	Balance at 1 April	-
2	Settlement or cancellation of accrual made at the end of the preceding year	-
-	Amounts accrued at the end of the current year 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)
2		(5)
-	Balance at 31 March	(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)	Net cash flows from investing activities	327

TAY ROAD BRIDGE JOINT BOARD

NOTES TO THE FINANCIAL STATEMENTS

12 CASH FLOW STATEMENT - FINANCING ACTIVITIES

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

13 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

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

31 March 2019		31 March 2020
£000		£000
4,406	Bank current account	1,333
4,406	Total cash and cash equivalents	1,333

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:

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

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:

	Local Government Pension Scheme	
	2018/2019	2019/2020
	£000	£000
Comprehensive Income and Expenditure Statement:		
Cost of Services:		
• current service cost	247	266
• past service cost	-	39
• curtailment	-	-
Financing and Investment Income and Expenditure		
• net interest on the defined liability (asset)	19	17
• administration expenses	4	3
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	270	325
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement		
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)	-	-
Total Re-measurements	(172)	(36)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	98	289
Movement in Reserves Statement:		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(270)	(325)
Actual amount charged against the General Fund Balance for pensions in the year:		
• 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)
Net liability	480	455	641
Present value of unfunded obligation	361	354	323
Net liability arising from defined benefit obligation	841	809	964

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
Re-measurement (gains) and losses:		
○ change in financial assumptions	383	(763)
○ change in demographic assumptions	(362)	-
Experience gain on defined benefit obligation	0	-
Benefits paid	(420)	(379)
Past service costs, including curtailments	-	39
Closing balance at 31 March	10,190	9,637

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)
Closing balance at 31 March	9,381	8,673

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:

	Local Government Pension Scheme	
	2018/2019	2019/2020
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:

	Local Government Pension Scheme		
	£000	£000	£000
	+0.1%	0%	-0.1%
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:	+ 1 year	None	- 1 year
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
Total	9,381	100	8,673	100

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 11 June 2020 that required adjustment to the 2019/2020 financial statements. The latter date is the date on which the unaudited 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)	-	Dundee City Council:	(27)	-
-	79	Interest Receivable	-	83
-	10	Central Support Services	-	8
-	64	Grounds Maintenance	-	71
-	-	Professional Fees	-	103
-	-	Capital Works	-	46
-	58	Miscellaneous	-	
(32)	211	Total Dundee City Council	(27)	311
		Fife Council:		
-	-	Grounds Maintenance	-	-
-	4	Miscellaneous	-	5
-	4	Total Fife Council	-	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	Dundee City Council:			
(32)	-	Central Support Services		(3)	-
-	51	Interest Receivable		(27)	-
-	9	Professional Fees		-	39
		Miscellaneous		-	4
(32)	83	Total Dundee City Council		(27)	43
		Fife Council:			
-	4	Miscellaneous		-	-
-	4	Total Fife Council		-	-

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)
Net gain/(loss)	5	8

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

Comparative Movements in 2018/2019:

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

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
Capital investment:		
Property, Plant and Equipment	389	712
Total Capital Investment	389	712
Sources of finance:		
Capital receipts	12	6
Government grants and other contributions	287	649
Capital Funded from Current Revenue	90	57
Total Sources of Finance	389	712

22 INVENTORIES

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

The year-end stocktake at 31st March 2020 could not be undertaken due to the Covid 19 pandemic. This will require to be done as soon as it is safe to do so. 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 £000	31 March 2020 £000
Central government bodies	-	133
Local authorities	32	30
Other entities and individuals	6	8
Total	38	171

24 SHORT-TERM CREDITORS

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

25 GRANT INCOME

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

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

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

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.

There were no Contingent liabilities in the year to 31 March 2019 (2018/2019: none).

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

138

The Annual Accounts set out on pages 16 to 57 are subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

Bruce Crosbie FCCA
for and on behalf of Audit Scotland
Senior Audit Manager
Audit Scotland
4th Floor,
102 Westport
Edinburgh
EH3 9DN.

REPORT TO: TAY ROAD BRIDGE JOINT BOARD

REPORT ON: RESPONSE TO INTERNAL AUDITOR'S ANNUAL REPORT TO MEMBERS

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB10-2020

1.0 PURPOSE OF REPORT

- 1.1 This report is in response to the Annual Report, ref 2020/07, prepared by the Board's Internal Auditor, Henderson Loggie, on Management of Health and Safety, Budgetary Control, Data Protection and previous Audit follow-up reviews. A copy of the Internal Auditor's annual report is included.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Board:-

- i) Endorse this report as the formal response to the Internal Auditor's report.
- ii) Instruct the Bridge Manager to implement the Internal Auditor's recommendation as set out in paragraph 5.2.

3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications associated with this report.

4.0 BACKGROUND

Introduction

- 4.1 The Board's Internal Audit Needs Assessment and Strategic Plan 2019 – 2022 (Henderson Loggie Report 2020/01 reported to December 2019 Board) is reviewed at least annually by Senior Management in conjunction with Henderson Loggie and external auditors, to take account of any changes in the Board's risk profile. The review in August 2019 resulted in an internal audit programme for 2019/20, detailed in Henderson Loggie annual audit report 2019/02. This programme confirmed that on Management of Health and Safety, Budgetary Control, Data Protection and previous Audit follow up reviews were areas of risk that were reviewed in 2019/20.

5.0 REPORT

Internal Auditor's Annual Report

- i) The Internal Auditor's Annual Report, Ref 2020/07 (included at appendix 1), describes the scope of the audit work undertaken, the specific objectives of the audit and the principal conclusions drawn from the review.
- ii) The report is based on the findings of the following individual reports:-

2019/03	Management of Health and Safety (included at appendix 2)
2019/04	Budgetary Control (included at appendix 3)

2019/05	Data Protection (included at appendix 4)
2018/06	Follow-up Reviews (included at appendix 5)

Overall no significant issues identifying major internal control weaknesses were identified.

During 2019/20 Henderson Loggie reported that the outstanding internal audit follow-up recommendations had been fully implemented.

In 2019/20 two minor recommendations were raised and agreed.

Action points identified are categorised as follows:-

Priority 1 – Critical issues which require consideration by the Board
Number of Actions – Nil

Priority 2 – Significant matters which the Bridge Manager can resolve
Number of Actions – Nil

Priority 3 – Routine, less significant actions not requiring urgent action
Number of Actions – 2

5.2 Priority 3 Action Points

- i) The following action was agreed as a result of the recommendations of the 2020/03 Management of Health and Safety report:-
 - A checklist should be developed, which allows the Board to ensure that all documents required under the Construction Design Management (CDM) 2015 regulations have been received and to record where these documents are stored.
- ii) The following action was agreed as a result of the recommendations of the 2020/05 Data Protection report:-
 - Ensure that a formal programme of reporting of data protection issues is established which will allow the Joint Board to obtain reasonable assurance that an appropriate data protection compliance framework is in place and is operating.

6.0 **POLICY IMPLICATIONS**

- 6.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

7.0 **CONSULTATION**

- 7.1 The Clerk, Treasurer and the Engineer have been consulted in the preparation of this report and are in agreement with the content.

8.0 BACKGROUND PAPERS

8.1 None

ALAN HUTCHISON
BRIDGE MANAGER
29 JUNE 2020

In view of the timescales involved this report was approved by the Clerk to Tay Road Bridge Joint Board in consultation with the Chair of the Tay Road Bridge Joint Board and Vice-Chair of the Tay Road Bridge Joint Board.

Roger Mennie

Roger Mennie
 Clerk to the Tay Road Bridge Joint Board

11th June, 2020

Date

Lynne Short

Cllr Lynne Short
 Chair of Tay Road Bridge Joint Board

30th June, 2020

Date

Jonny Tepp

Cllr Jonny Tepp
 Vice-Chair of Tay Road Bridge Joint Board

29th June 2020

Date

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Tay Road Bridge Joint Board

**Annual Report to the Joint Board and the Bridge
Manager on the Provision of Internal Audit
Services for 2019/20**

Internal Audit Report No: 2020/07

Draft issued: 05 May 2020

Final issued: 07 May 2020

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1. Annual Report and Opinion

Introduction

- 1.1 We were formally re-appointed in April 2019 as internal auditors of Tay Road Bridge Joint Board ('the Board') for the period 1 April 2019 to 31 March 2022. This report summarises the internal audit work performed during 2019/20.
- 1.2 An Audit Needs Assessment (ANA), based on the areas of risk that the Board is exposed to, was prepared as part of our internal audit programme for 2019/20 (internal audit report 2020/01, issued November 2019). The ANA was prepared following discussion with the Bridge Manager and senior Board officers and with reference to the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. The ANA was prepared on the basis of the normal three-year internal audit cycle, covering the period 2019/20 to 2021/22. Work in the previous three-year cycle was used to update the key control environment. Following on from the ANA, a Strategic Plan was formulated covering the three-year cycle.
- 1.3 The Internal Audit Annual Plan 2019/20 reflected the allocation of days shown in Year 1 of the Audit Needs Assessment and Strategic Plan 2019 to 2022, with no changes made.
- 1.4 The work delivered in 2019/20 followed that set out in the Annual Plan for 2019/20. The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each finalised assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is at Section 4.

Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The Board has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
 - Confirm our independence;
 - Provide information about the year's activity and the work planned for next year in this report; and
 - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.

- 1.7 Self-assessment is undertaken through:
- Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
 - Ensuring compliance with best professional practice, in particular the PSIAS;
 - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
 - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
 - Annual completion of a checklist to confirm PSIAS compliance. This is undertaken annually in April.
- 1.8 The results of our self-assessment are that we are able to confirm that our service is independent of the Board and complies with the PSIAS.
- 1.9 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie is a member of MHA, a national association of independent accountancy firms. Continued membership of MHA is dependent on maintaining a good level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The latest independent review in March 2019 included our internal audit service. Overall, the review found the firm's policies and procedures relating to internal audit to be compliant with the PSIAS and our self-evaluation, conducted in April 2020, confirmed that this is still the case..

Significant Issues

- 1.10 There were no significant issues or major internal control weaknesses noted from the internal audit work conducted during 2019/20. All internal audit reports issued during 2019/20 concluded that systems met control objectives and provided good assurance. A small number of actions have been agreed to further strengthen controls.
- 1.11 Our Follow-Up Reviews (Report 2020/06) confirmed that the one recommendation subject to review was fully implemented.
- 1.12 There were no instances of fraud identified during the course of the audit work carried out during the year.

Opinion

- 1.13 As required by standard 2450 of PSIAS, the chief internal audit executive, is required to provide an annual report on the audit work carried out during the year and an opinion on the operation of controls within the Board. This opinion is used to inform the Board's annual governance statement. Within the Board this role currently resides with MHA Henderson Loggie based on the work that MHA Henderson Loggie have undertaken.
- 1.14 In our opinion, 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 has been arrived at taking into consideration the internal audit, risk management and other assurance work that has been undertaken during 2019/20 and in previous years since our original appointment in 2010.

2. Reports Submitted

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2020/01	ANA and Strategic Plan 2019 to 2022	N/A	-	N/A	N/A	N/A
2020/02	Annual Plan	N/A	-	N/A	N/A	N/A
2020/03	Management of Health & Safety	Good	1	-	-	1
2020/04	Budgetary Control	Good	-	-	-	-
2020/05	Data Protection	Good	1	-	-	1
2020/06	Follow-Up Reviews	N/A	1 of 1 recommendation fully implemented	-	-	-
2020/07	Annual Report	N/A	N/A	N/A	N/A	N/A

Overall gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the organisation to material risk and which requires to be brought to the attention of the Joint Board
Priority 2	Issue subjecting the organisation to significant risk and which should be addressed by the Bridge Manager.
Priority 3	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.



3. Summary of Results and Conclusions

2020/01 – ANA and Strategic Plan 2019 to 2022**Final Issued – November 2019**

A comprehensive ANA based on the areas of risk that the Board is exposed to was undertaken in November 2019. A Strategic Plan to cover the three-year internal audit cycle from 2019 to 2022 was then formulated (refer to paragraph 1.2 above).

2020/02 – Internal Audit Annual Plan 2019/20**Final Issued – November 2019**

The purpose of this document was to present, for consideration by the Joint Board, the annual operating plan for the year ended 31 March 2020. The plan was based on the proposed allocation of audit days for 2019/20 set out in the ANA and Strategic Plan 2019 to 2022.

The detailed scope, objectives and audit approach for each audit assignment to be undertaken, arrived at following discussion with the Bridge Manager, were set out in the report.

2020/03 – Management of Health & Safety**Final Issued – May 2020**

This audit included a review of the arrangements in place within the Board to deal with Health and Safety (H&S) issues. The main objective of the audit was to review the Board's overall arrangements for dealing with H&S issues and to consider whether these are adequate.

Overall, we found that:

- The Board has a documented H&S policy, and related procedures, which have been communicated to all staff;
- Formal risk identification and assessment processes are in place;
- The Board has a formal H&S training programme, which includes induction training, refresher training and, where appropriate, targeted training for new equipment and new legislation;
- There is regular monitoring of H&S systems to ensure that they are functioning effectively;
- The Board has an incident and accident recording system with follow-up and implementation of new controls, where required; and
- There is regular reporting of H&S issues to both management and the Board.
- Our review of project documentation, for a sample of two projects, confirmed that overall, the Board was able to evidence that it complied with its obligations under the Constructive Design and Management Regulations (CDM) 2015, which are issued by the HDSE. However, the following areas for improvement were noted:
 - For both projects we noted that the pre-construction information provided by the principal designer outlining the project hazards, referred to risk assessment method statements (RAMS) which provided details of how these would be addressed. However, for one project we found that one of the RAMS could not be located at the time of audit: and
 - In general, whilst we confirmed that the documents that evidenced compliance with the CDM 2015 were in place, with the exception noted above, these were found to be contained within unfiled emails and in various locations on the Board's internal computer network.

To ensure that there are no gaps in the required documentation there would be benefit in developing a checklist to assist in the collation and recording of all of the evidence required to demonstrate that the Board is compliant with the CDM 2015 regulations.

Internal Audit Annual Report 2019/20

2020/03 – Management of Health & Safety (continued)

Final Issued – May 2020

The table below notes each separate objective for this review and records the results:

Objective		Findings		
The objectives of our audit were to obtain reasonable assurance that the Board has:		1	2	3
1. A H&S policy and documented procedures which are communicated to all staff.	Good	0	0	0
2. A formal risk identification and assessment process.	Good	0	0	0
3. A H&S training programme which includes induction training, refresher training and training for new equipment or legislation.	Good	0	0	0
4. Regular monitoring of H&S systems to ensure that they are functioning effectively including H&S audits, carried out either internally or by external agencies such as the Health and Safety Executive (HSE).	Good	0	0	0
5. An incident and accident recording system with follow-up and implementation of new controls where required.	Good	0	0	0
6. Regular reporting of H&S to management and to the Board.	Good	0	0	0
7. To ensure H&S issues are appropriately considered during the development of maintenance and construction projects in accordance with the Construction (Design and Management) Regulations 2015.	Good	0	0	1
Overall Level of Assurance	Good	0	0	1
		System meets control objectives		

Internal Audit Annual Report 2019/20

2020/04 – Budgetary Control

Final Issued – May 2020

This audit reviewed the processes and controls in place for budget setting and budgetary control within the Tay Road Bridge Joint Board. The overall objective of our audit was to obtain reasonable assurance that adequate systems are in place covering budget setting and budgetary control.

No significant weaknesses were noted during our review.

The table below notes each separate objective for this review and records the results:

Objective		Findings		
The objective of this audit was to obtain reasonable assurance that:		1	2	3
		No. of Agreed Actions		
1. Budgets are approved, controlled and monitored in accordance with the Financial Regulations and Procedures.	Good	0	0	0
2. The short, medium- and longer-term financial projections are based on sound information and assumptions.	Good	0	0	0
3. Information is available to management which is up-to-date and in a format that can be easily understood.	Good	0	0	0
4. Budget holders have the necessary skills for managing budgets.	Good	0	0	0
5. Budget variations are reported and acted upon.	Good	0	0	0
6. Management and the Joint Board regularly review the organisation's overall financial position.	Good	0	0	0
Overall Level of Assurance	Good	0	0	0
		System meets control objectives.		

Internal Audit Annual Report 2019/20

2020/05 – Data Protection

Final Issued – May 2020

This audit included a high-level review of the Board's implementation of the Data Protection Act 2018, including the GDPR, and to ensure that processes and procedures are in place to allow compliance with this.

Overall, we identified that the Board has reasonable data protection procedures in place.

No significant weaknesses were noted during our review. Although there was regular review of data protection issues by the management team, a formal programme of reporting of data protection issues to the Joint Board had yet to be established, which will allow the Joint Board to gain assurance that it has an appropriate data protection compliance framework in place.

The table below notes each separate objective for this review and records the results:

Objective		Findings		
The objective of this audit was to obtain reasonable assurance that:		1	2	3
		No. of Agreed Actions		
1. Appropriate action has been taken by the Board to comply with the DPA (and the GDPR).	Good	0	0	0
2. Additional requirements of the DPA, not included in the GDPR, have been identified and an action plan has been prepared to address these.	Good	0	0	0
3. Adequate procedures are in place for the ongoing monitoring of compliance with data protection legislation.	Good	0	0	1
Overall Level of Assurance	Good	0	0	1
		System meets control objectives.		

2020/06 – Follow-Up Report**Final Issued – May 2020**

We carried out a follow up review of recommendations made in the following internal audit reports issued during 2018/19:

- 2019/02 – Compliance with Legislation

Reports 2019/01, 2019/03, 2019/04 and 2019/06 did not contain an action plan and therefore no follow-up was required as part of this review.

Report 2019/05, Follow-Up Review 2018/19, included one outstanding action from 2018/19 that required to be followed up again this year.

The Board has made good progress in fully implementing the single recommendation followed up as part of this review. Internal Audit Report 2019/02, Compliance with Legislation, issued in November 2018, included a recommendation to undertake review of the Tay Road Bridge Joint Board Byelaws and to update these to reflect current legislation. Following consultation with the Board's legal advisors, Dundee City Council (and also communication with Transport Scotland) the Byelaws have been updated and will be issued for public consultation later in 2020 once the Covid-19 pandemic lockdown restrictions have been lifted.

<i>From Original Reports</i>			<i>From Follow-Up Work Performed</i>		
Area	Rec'n Grades	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made
Compliance with Legislation	1	-	-	-	-
	2	-	-	-	-
	3	1	1	-	-
Total		1	1	-	-

4. Time Spent – Actual v Budget

	Report number	Planned days	Actual days fee'd	Days to fee at May 2020	Days to spend / WIP	Variance
Reputation						
Management of Health & Safety	2020/03	4	4	-	-	-
Financial Issues						
Budgetary Control	2020/04	3	3	-	-	-
Information and IT						
Data Protection	2020/05	3	3	-	-	-
Other Audit Activities						
Management and Planning)	2020/02	2	2	-	-	-
External audit)						
Attendance at Joint Board meetings)						
Follow-up reviews	2020/06	1	1	-	-	-
ANA	2020/01	2	2	-	-	-
		_____	_____	_____	_____	_____
Total		15	15	-	-	-
		=====	=====	=====	=====	=====

5. Operational Plan for 2020/21

- 5.1 Following our appointment as internal auditors for the period from 1 April 2019 to 31 March 2022 we prepared an Audit Needs Assessment and Strategic Plan for 2019 to 2022 (internal audit report 2020/01, issued in November 2019).
- 5.2 The following is an extract from the Strategic Plan, in relation to 2020/21. This will be discussed with management and updated if appropriate before being finalised for next year.

Proposed Allocation of Audit Days 2020/21

Audit Area	Risk Register Ref.	Previous IA Coverage	Proposed 2020/21 Days
Staffing Issues			
Recruitment and Retention / HR Policies	10	2011/12	4
Estates and Facilities			
Capital Projects	8	2012/13	3
Financial Issues			
Procurement and Creditors / Purchasing	2, 7, 9	2017/18 Good	4
Other Audit Activities			
Management & planning, attendance at Joint Board meetings & liaising with external audit			2
Follow-up			2
Total			15

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MHA Henderson Loggie is a trading name of Henderson Loggie LLP, which is a limited liability partnership registered in Scotland with registered number SO301630 and is a member of MHA, an independent member of Baker Tilly International Ltd, the members of which are separate and independent legal entities

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 **mha**
HENDERSON LOGGIE

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ITEM No ...8.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 14 SEPTEMBER 2020

REPORT ON: OPERATIONAL RESTRICTIONS AND CLOSURES

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB 15-2020

1.0 PURPOSE OF REPORT

- 1.1 To appraise the Joint Board of the number and nature of operational restrictions and closures applied between 1 May 2020 and 31 July 2020.

2.0 RECOMMENDATIONS

- 2.1 The Joint Board are asked to note the contents of this Report as at 31 July 2020.

3.0 FINANCIAL IMPLICATIONS

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

4.0 COMMENTARY ON RESTRICTIONS AND CLOSURES

- 4.1 Restrictions are applied to the traffic on the bridge for a number of reasons including recovering debris, breakdowns, high winds and other operational requirements, such as carriageway inspections. Miscellaneous incidents include escorting pedestrians from the carriageway.

A summary of the restrictions applied between 1 May 2020 and 31 July 2020 is given below:-

4.1.1 Single Carriageway Closure

Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational	334	112	2.98	16	1
Breakdown	32	4	8	12	3
Miscellaneous Incidents	44	6	7.33	25	1
Single Lane Closures for Maintenance	736	13	56.62	135	28
Police Incidents	210	24	8.75	25	1

4.1.2 Full Bridge Closure

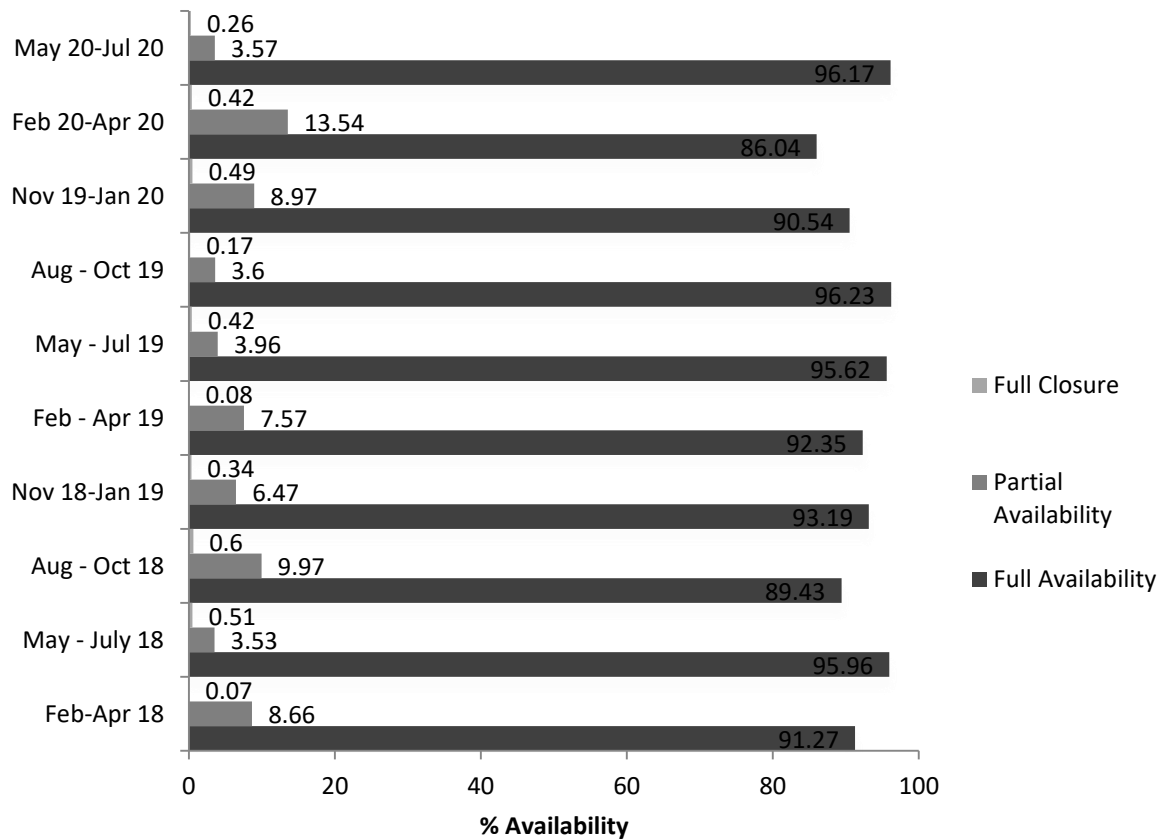
Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational (Night Closures)	0	0	0	0	0
Police Incidents	336	11	33.6	132	7
Wind	0	0	0	0	0

4.1.3 High Winds Restrictions

Traffic Restricted	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Restricted (Minutes)	Minimum Time Restricted (Minutes)
Double Deck Buses	1369	4	342.25	466	210
High Sided Vehicles	1897	1	1897	1897	1897
All Traffic	0	0	0	0	0

4.1.4 Availability of Bridge

AVAILABILITY TO BRIDGE USERS



	May-Jul 19	Aug-Oct 19	Nov 19 – Jan 20	Feb-Apr 20	May-July 20
Full Availability	95.62	96.23	90.54	86.04	96.17
Partial Availability	3.96	3.6	8.97	13.54	3.57
Full Closure	0.42	0.17	0.49	0.42	0.26

4.1.5 Summary of Bridge availability 1 May 2020 to 31 July 2020

Full availability (No restrictions)	96.17%
Partial Availability (Some restrictions)	3.57%
No Availability (Full Closure)	0.26%

5.0 TRAFFIC COUNT DATA

5.1 Traffic Count Data from Dundee Ramps

AADT – (Annual Average Daily Total)

	2 nd Quarter 2019	3 rd Quarter 2019	4 th Quarter 2019	1 st Quarter 2020	2 nd Quarter 2020
	(May - Jul)	(Aug – Oct)	(Nov – Jan)	(Feb- Apr)	(May- Jul)
Northbound to West	6459	6659	5931	2376	3171
Northbound to East	7434	7534	6567	4728	4776
Northbound Total	13893	14193	12498	7104	7947
Southbound from West	5779	6067	5386	3864	3424
Southbound From East	8264	8489	7255	5244	5266
Southbound Total	14043	14556	12641	9108	8690
AADT Traffic per Quarter	27936	28749	25139	16212	16637

A comparison of traffic levels between the second quarter of 2019 and the second quarter of 2020 shows a 40% reduction in traffic levels. This is likely to be attributable to reduced movement of people as result of the ongoing Coronavirus (Covid-19) pandemic.

5.2 Cyclist and Pedestrian Count on the Walkway

AADT – (Annual Average Daily Total) Northbound and Southbound

	4 th Quarter 2019		1 st Quarter 2020		2 nd Quarter 2020
	(Nov - Jan)		(Feb - Apr)		(May - Jul)
Cyclists – November	159	Cyclists – February	139	Cyclists - May	330
Cyclists – December	132	Cyclists – March	129	Cyclists - June	269
Cyclists – January	157	Cyclists – April	214	Cyclists - July	250
AADT Cyclists per Quarter	150	AADT Cyclists per Quarter	161	AADT Cyclists per Quarter	283

A Pedestrian and Cycling Counter was installed on the bridge walkway in October 2019. Unfortunately pedestrian numbers are not yet available. The fault was reported to Cycling Scotland and a possible solution was proposed during lockdown. This is being taken forward in the third quarter of 2020.

Cyclists represent 1.7% of vehicular traffic across the bridge in the second quarter of 2020.

6.0 POLICY IMPLICATIONS

- 6.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

7.0 CONSULTATIONS

- 7.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the content.

8.0 BACKGROUND PAPERS

- 8.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
26 AUGUST 2020

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 14 SEPTEMBER 2020

REPORT ON: ANNUAL REVIEW OF STRATEGIC RISK MANAGEMENT

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB 16-2020

1.0 PURPOSE OF REPORT

- 1.1 To appraise the Joint Board of the annual review of Strategic Risk Management issues.

2.0 RECOMMENDATION

- 2.1 The Joint Board are asked to note the contents of this Report as at 14 September 2020 and the Strategic Risk Register attached as Appendix A.

3.0 FINANCIAL IMPLICATIONS

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

4.0 OUTCOME OF REVIEW

- 4.1 As part of the ongoing management of risk it was agreed that the Risk Register would be reviewed annually and updated to take account of new or changed risks faced by the Joint Board.
- 4.2 This review was carried out on 18 August 2020 in conjunction with the Insurance and Risk Management Team from Dundee City Council and it can be reported that changes to Appendix A, Strategic Risk Register, items 8 and 9 have been made due to the identification of additional financial risks associated with the global Coronavirus (Covid-19) pandemic. This plan will now cover the period 2020-21.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATION

- 6.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the content.

7.0 BACKGROUND PAPERS

- 7.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
18 AUGUST 2020



Tay Road Bridge

TAY ROAD BRIDGE JOINT BOARD

RISK MANAGEMENT STRATEGIC PLAN

AND STRATEGIC RISK REGISTER

Prepared by:	Alan Hutchison
Reviewed by:	Alan Hutchison/D Urquhart DCC Risk Management

Document Reference:	TRB 09 rev 6
Approved for Issue:	Alan Hutchison
Date: 18 August 2020	Bridge Manager

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1. INTRODUCTION

A working definition of Risk Management would be

"A management discipline through which concerted and co-ordinated action is taken to identify, evaluate and control current and potential causes of loss which could threaten the Board's ability to deliver an efficient and effective service."

Skilled Risk Management offers the Tay Road Bridge Joint Board the prospect of both tangible and intangible benefits, three examples of each are shown below:

Tangible

- Reduced financial loss
- Fewer injuries to staff/public
- Preserved assets
(bridge/buildings/vehicles/
equipment)

Intangible

- Better Public Image
- Orderly consideration of risk

Intelligent application of Risk Management concepts should serve to reduce the "fear of the unknown". In this way the discipline should be viewed as a catalyst to service delivery rather than viewed as a reason why certain activities cannot be undertaken.

To achieve this vision requires a disciplined approach to risk which percolates through all levels of the Organisation and its numerous operations. In turn, tiers of management require to absorb and apply Risk Management concepts in their every day thinking and actions and in many ways this "cultural change" is the primary objective of this first Risk Management Strategy Plan.

Whilst this objective could have previously been viewed as desirable, the heightened profile of Corporate Governance in Local Government and the increasing external focus by bodies such as Transport Scotland and Audit Scotland on the issue of Organisational Risk Management increasingly demands attainment of the core objective.

2. **POLICY STATEMENT**

2.1 The Tay Road Bridge Joint Board is committed to the management of risk in order to:-

- Minimise loss, damage or injury to Board employees or members of the public
- Protect Board assets and property
- Preserve and enhance the management and operation of the Tay Road Bridge
- Maintain effective stewardship of public funds
- Promote a favourable corporate image

The efficient management of risk forms part of the Board's overall business objectives. To achieve this, standards and principles will be developed and maintained. This process will involve identification and evaluation of risks to create practical and cost effective means of loss control and avoidance.

Risk management is recognised as a continuous process, demanding awareness and action from employees at every level, to reduce the possibility and impact of injury and loss.

3. RISK MANAGEMENT STRATEGY

The strategy aims to provide a framework for building a sustainable structure that recognisably supports Risk Management across all areas of Board activity and allows for monitoring and reporting on the effectiveness of that management.

Whilst acknowledging the majority of risks are relatively low-level in terms of severity there are in addition significant Strategic or Corporate risks that must also be managed.

3.1 Status

Risk Management should be as much a part of the duties of all employees as are the control of budgets and the deployment of staff and equipment.

It should also be an element of the consultation process prior to altering existing service delivery and/or implementing new initiatives.

If the Board is to satisfy its external scrutiny obligations it will be required to demonstrate that Risk Management is carried out in this systematic and structured manner and be subject to monitoring.

3.2 Management Arrangements

Risk Management needs to be fully integrated with normal management processes. The Bridge Manager is primarily responsible for the management of risk. The Treasurer is required to produce and/or maintain:

- A Risk Register
- A Risk Management Action Plan to address unacceptable risk exposures which have been detailed in the Risk Register
- Monitoring reports as appropriate

3.3 Risk Management Forums

It is acknowledged there can be high level areas of risk which would benefit from a Risk Management forum.

It is proposed where such a need is identified, the forum will be chaired by the Bridge Manager.

3.4 Accountability

Accountability for performance must be an integral part of the Risk Management process. Progress ought to be monitored and the following routine reporting pattern will operate:

The Bridge Manager will report to the Board summarising Risk Management performance and updating the Risk Register on an annual basis.

3.5 Monitoring and Review

Full implementation of this strategy will take time and effort. Similarly, adherence to its requirements on an ongoing basis will require a resource commitment.

In mitigation it should be remembered that significant elements of the strategy are, already being performed.

The implementation and operation of the strategy will be kept under review to ensure both that it is operating effectively and that there are no aspects taking up disproportionate effort.

3.6 **Management Information**

Many aspects of the strategy will be driven by the quality of information available over loss profiles. Risk Management Information is provided under a Service Level Agreement with Dundee City Council.

4. ROLES AND RESPONSIBILITIES

4.1 **Board Members**

Board Members are responsible for making the strategic decisions affecting the management and operation of the Tay Road Bridge. They are responsible for understanding the strategic risks the Board has to face and be aware of how they are managed.

Board Members main tasks are to:

- Approve the risk management Strategic Plan
- Monitor the reporting of risk management activity
- Approve the annual report on Risk Management performance.

4.2 **Board Officers**

The Bridge Manager is responsible for ensuring risks the Board face are adequately managed. To enable the Bridge Manager to fulfil this responsibility he will liaise with the following Board Officers on the various elements listed below:-

Clerk to the Board	Legal, Contractual and Personnel related Risk
Engineer to the Board	Engineering Risk
Treasurer to the Board	Financial Risk

The Bridge Manager's key tasks will be to:

- Implement the risk management strategic plan.
- Review the Risk Register annually in conjunction with the Clerk, Engineer, Treasurer and Dundee City Council's Risk Manager.

5. Risk Management

5.1 Risk Identification Process

A number of techniques have been used to construct the Board's Risk Register.

The Risk Register identifies strategic and significant operational risks. In addition, an assessment of risk probability coupled with a risk severity analysis is included within the register.

5.2 Risk Prioritisation and Control

Risks identified are prioritised in the following manner:

- a Risk score determined through multiplication of probability and severity scores as follows:-

Score	Probability	Severity
1	Rare	Insignificant
2	Unlikely	Minor
3	Possible	Moderate
4	Likely	Major
5	Certain	Catastrophic

The Matrix produced using the above scores is shown below:-

Probability

5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5

Severity

- b Risks are then prioritised using the "Traffic Light System" as indicated below:

Risk Score	Status	Control	Review Timescale
1 to 8	Green	Risk adequately controlled	No specific action required
9 to 16	Amber	Risk partially controlled	Within 24 months
17 to 25	Red	Further control required	Within 12 months

The potential to control risks will be addressed continuously through the upkeep of the Risk Register. Most risks are capable of being managed - by controlling the probability or severity of the risk or both. Very few risks require to be avoided completely.

It is anticipated that many risks will be realigned through this process. It is unrealistic to conceive that at any given time all risks will be "Green" but it will be possible to critically analyse risks with a view to improving their "score".

5.3 Monitoring Arrangements

To avoid stagnation of the Risk register process the following monitoring arrangements are in place.

- risk register to be reviewed annually or at the time of any organisational/legislative changes

5.4 Current Risk Status

The following Risk Status graph has been prepared using the information taken from the Strategic Risk Register in Appendix A. The numbers shown identify the risk stated in the Register.

4	7			
	6			
	5,8,9	1,2,3		
		10		

APPENDIX A

Strategic Risk Register

No	Risk Description	Probability (P)	Severity (S)	Inherent Risk (P) x (S)	Existing Controls	Residual Risk	Further Action Required	Responsible Officer	Priority
Risk Category: External									
1	Change of Government with revised policies/strategies	3	4	12	N/A	3x4 =12	None	Clerk Treasurer	Amber
2	Legislative changes e.g. Health & Safety , Environmental, Procurement etc “Brexit” following referendum result June 2016	3	4	12	Maintain awareness of changes to legislation and amend policies and procedures timeously – Too early to say what impact Brexit will make.	3x3 = 9	Review and update Policies and Procedures on regular basis- monitor closely Government negotiations with European Union.	Clerk Bridge Manager Engineer	Amber
3	Effects of changes to Economy – budget limitations etc “Brexit” following referendum result June 2016	3	4	12	Financial planning, monitoring and control systems – Too early to say what impact Brexit will make.	3x3 = 9	None	Bridge Manager Treasurer	Amber

No	Risk Description	Probability (P)	Severity (S)	Inherent Risk (P) x (S)	Existing Controls	Residual Risk	Further Action Required	Responsible Officer	Priority
Risk Category: Operational									
4	Loss of structure/ operational capacity through ship impact/terrorism	3	5	15	Dundee Port Authority Controls. Insurance Provision of pier protection system at Navigation Spans Security of asset through CCTV and 24 hour site attendance	1x5 = 5	None	Bridge Manager Engineer	Green
5	Loss of structure/ operational capacity through effects of Dundee City Waterfront Development works	3	5	15	Major infrastructure Works in waterfront now complete- Left on Risk register as development plots still to be developed Asset Protection Agreement with DCC	1x2 = 2	Ongoing review of design and traffic management proposals throughout works	Bridge Manager Engineer	Green
6	Loss of operational capability through loss of bridge/buildings	2	5	10	Frequent inspection/maintenance of assets	2x4 = 8	None	Bridge Manager Engineer	Green
7	Losses through poor governance	3	5	15	Scheme of Delegation / Anti Fraud and Corruption Policy etc in place. Undertake Internal and External Audit	2x5 = 10	Continue to review and apply Governance Policies and Audits	Bridge Manager Treasurer	Green

8	Failure to deliver projects to time and/or cost	3	4	12	Major schemes submitted to Board for approval. Refurbishment and repairs of Administration Office are ongoing as at 18 August 2020. The construction programme has been lengthened by the contractor to suit working methods driven by the global Covid-19 pandemic and government guidance on social distancing.	3x3 = 9	Adopt robust project management procedures including Business Case preparation for schemes in excess of £50,000. 2020 Admin Office Repairs Project: Liaise with Contractor to agree fair costs and seek advice from Head of Design and Property City Development at Dundee City Council to do this.	Bridge Manager Engineer	Green
9	Lack of financial resources:- Global Covid-19 pandemic impact. Eg.. Admin Office repairs project additional costs associated with increased programme, additional ppe (masks, gloves) to protect staff.	3	4	12	Submission of applications for Grant in Aid to include robust estimates as back up. Monitor and control expenditure against agreed budgets	3x3 = 9	Will require liaison with transport Scotland to agree additional fund availability to cover any costs associated with global Covid-19 pandemic.	Bridge Manager Treasurer	Green

10	Lack of staff resources:- Pandemic Industrial Action Recruitment problems	3	3	9	Business Continuity plans Liaison/Consultation with Staff and Trade Unions on matters affecting staff Monitor/manage staff absences Monitor retiral dates and plan recruitment accordingly	3x2 =6	Review BC plans on regular basis Develop Staff Planning Strategy	Bridge Manager	Green
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APPENDIX B
Risk Management Action Plan 2019-20

Subject	Task	Responsibility	Timescale	Update
Strategic	Maintain Risk Management Planning process	Bridge Manager	Annually	Ongoing
Operational	Review Risk Register	Bridge Manager	Annually	Ongoing
Operational	Test Business Continuity Plans	Bridge Manager	Annually	Ongoing

ITEM No ...10.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 14 SEPTEMBER 2020

REPORT ON: REVENUE MONITORING – 4 MONTHS TO 31 JULY 2020

REPORT BY: THE TREASURER

REPORT NO: TRB 11-2020

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2020/2021 Revenue Budget.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Joint Board note the content of this Revenue Monitoring Report as at 31 July 2020.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The 2020/2021 Revenue Budget predicted a break-even position (see Report 28-2019). The current outturn position for the financial year 2020/2021 is projecting a break-even position based on the financial information available at 31 July 2020 (as detailed in Appendix A).
- 3.2 Following the removal of tolls the Board's Revenue Expenditure is now financed by an annual Revenue Grant from Scottish Government.
- 3.3 During 2019, Transport Scotland's Internal Audit conducted a review of their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review was that monthly grant claims now have to be submitted based on actual net expenditure. This results in a projected Revenue Grant carried forward into 2021/2022 of £nil.
- 3.4 The projected break-even position, if it materialised, would result in a General Fund Reserve of £1,160,591 at 31 March 2021. This level of retained reserves is subject to negotiation with the Scottish Government.
- 3.5 Following an External Audit recommendation, the Board's Strategic Plan 2019 to 2024 (TRB 28-2018) was approved by the Board with the aim of demonstrating the link between the budgets and financial performance reporting against the strategic objectives. Appendix B links the current year's gross expenditure to each of the Board's five strategic objectives.
- 3.6 Details of current variances against budget headings are detailed below.
- 3.7 An underspend of £12,000 is projected in relation to Operations Staff Costs. This is due to a saving of £5,000 on salary costs due to a long-term absence and lower than anticipated expenditure of £7,000 due to the suspension of training programmes due to Covid 19.
- 3.8 An underspend of £16,000 is projected in relation to Plant and Equipment Supplies and Services. This is due to a saving in relation to the hire of the safety boat as the start date of the six-month contract period was delayed from the beginning of April until mid-June due to the Covid 19 lockdown resulting in no capital works during this period. This means that the end date of the contract will be extended by approximately ten weeks resulting in there being limited requirement for the additional ad-hoc cover period of five weeks that is included in the budget for provision of safety boat cover.

- 3.9 An underspend of £16,000 is projected in relation to Bridge Maintenance Staff Costs. This is due to a saving in relation to a post that has been vacant for six months.
- 3.10 Reduced income of £44,000 is projected in relation to Scottish Government Revenue Grant. This is due to a change in the process for receiving this grant since October 2019 with monthly grant applications now being made on the basis of actual expenditure incurred (see TRB20-2019).

4.0 RISK ASSESSMENT

- 4.1 In preparing the Board's Annual Revenue Budget (see Report TRB 28-2019), the Treasurer considered the key strategic, operational and financial risks faced by the Board over this period. In order to alleviate the impact these risks may have should they occur, a number of general risk mitigating factors are utilised by the Board. These include:
- a system of perpetual detailed monthly budget monitoring with latest positions reported to quarterly Board meetings;
 - the level of General Fund Reserve balances available to meet any unforeseen expenditure;
 - the level of other cash backed reserves available to meet any unforeseen expenditure;
 - the possibility of identifying further budget savings and efficiencies during the year if required; and
 - the possibility of identifying new income streams during the year.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

- 6.1 The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

7.0 BACKGROUND PAPERS

- 7.1 None

GREGORY COLGAN
TREASURER

25 AUGUST 2020

TAY ROAD BRIDGE JOINT BOARD**REVENUE MONITORING AS AT 31 JULY 2020**

	Revenue Budget 2020/21 £	Expenditure to 31 July 2020 £	Final Projection 2020/21 £	Variance from Budget £	Paragraph Reference
EXPENDITURE					
<u>Administration</u>					
Staff Costs	189,544	58,380	189,544	-	
Property Costs	30,650	8,163	30,650	-	
Supplies and Services	132,088	91,335	132,088	-	
Transport Costs	300	-	300	-	
Third Party Payments	108,135	4,320	108,135	-	
	460,717	162,198	460,717	-	
<u>Operations</u>					
Staff	512,212	167,552	500,212	(12,000)	3.6
Supplies & Services	8,400	3,378	8,400	-	
	520,612	170,930	508,612	(12,000)	
<u>Plant and Equipment</u>					
Property	22,000	8,856	22,000	-	
Supplies & Services	161,500	21,445	145,500	(16,000)	3.7
Transport	33,100	13,450	33,100	-	
Third Party Payments	7,750	-	7,750	-	
	224,350	43,751	208,350	(16,000)	
<u>Bridge Maintenance</u>					
Staff	302,175	81,841	286,175	(16,000)	3.8
Property	26,000	9,416	26,000	-	
Supplies & Services	49,750	2,126	49,750	-	
Transport	200	-	200	-	
Third Party Payments	21,200	1,750	21,200	-	
	399,325	95,133	383,325	(16,000)	
GROSS EXPENDITURE	1,605,004	472,012	1,561,004	(44,000)	
INCOME					
Scottish Government Revenue Grant	1,588,891	263,953	1,544,891	(44,000)	3.9
Interest on Revenue Balances	5,500	20	5,500	-	
Kiosk Rent	10,213	2,553	10,213	-	
Miscellaneous	400	18	400	-	
GROSS INCOME	1,605,004	266,545	1,561,004	(44,000)	
TOTAL NET DEFICIT / (SURPLUS) MET FROM GENRAL RESERVE BALANCES	-	205,467	-	-	

APPENDIX B**LINKING THE 2020/2021 REVENUE BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES**

	Strategic Objective	2020/2021 Budget £	Expenditure to 31 July 2020 £	2020/2021 Projected £
1	Meeting User Expectations	859,207	334,621	853,207
2	Fiscally Sustainable	86,385	3,720	86,385
3	Transparent Governance and Clear Decision-Making Processes	19,237	(4,213)	19,237
4	A Modern, Diverse and Well-Trained Workforce	22,500	(1,000)	16,500
5	Quality and Standards	<u>617,675</u>	<u>138,884</u>	<u>585,675</u>
	TOTAL GROSS EXPENDITURE	<u>1,605,004</u>	<u>472,012</u>	<u>1,561,004</u>

ITEM No ...11.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 14 SEPTEMBER 2020

REPORT ON: CAPITAL MONITORING - 4 MONTHS TO 31 JULY 2020

REPORT BY: THE TREASURER

REPORT NO: TRB 12-2020

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2020/2021 Capital Plan.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Joint Board note the content of this Capital Monitoring Report as at 31 July 2020.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Joint Board's 2020/2021 Capital Expenditure Programme of £1,475,000 was approved by the Board on 2 December 2019 (Report TRB 29-2019). From 1 April 2008 the Board's Capital Expenditure projects are being financed through Scottish Government Capital Grant.
- 3.2 The capital outturn for the financial year 2020/2021 (as detailed in Table 1 on Appendix A) is projected to be £1,046,000 (i.e. a net decrease of £429,000 from the originally approved budget) based on the financial ledger information up to 31 July 2020 and this will be funded from 2020/2021 Capital Grant of £1,046,000.
- 3.3 An explanation of the major variances is shown in section 4 of the report.
- 3.4 During 2019, Transport Scotland's Internal Audit conducted a review of their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review was that monthly grant claims now have to be submitted based on actual net expenditure. This results in a projected Capital Grant carried forward into 2021/2022 of £nil.
- 3.5 Following an External Audit recommendation, the Board's Strategic Plan 2019 to 2024 (TRB 28-2018) was approved by the Board with the aim of demonstrating the link between the budgets and financial performance reporting against the strategic objectives. Appendix B links the current year's gross expenditure to each of the Board's five strategic objectives.

4.0 REASONS FOR CAPITAL EXPENDITURE NET DECREASE

4.1 The main reasons for the net decrease of £429,000 can be summarised as follows:

	£000
<u>Slippage from 2019/2020:</u>	
Carriageway Resurfacing	42
Bridge Office Refurbishment	295
Lift Replacement	4
New Switch Gear	3
<u>Budget Adjustments:</u>	
Carriageway Resurfacing	(42)
Inspection to Columns and Piers	(26)
Replacement of Expansion Joints	5
Bridge Office Refurbishment	(72)
New Gantries	100
Scour Protection	(25)
New Switch Gear	12
<u>Slippage into 2021/2022:</u>	
Carriageway Resurfacing	(100)
CP Hardware	(225)
New Gantries	(175)
Fife Landfall Improvements	(200)
Paintwork to Box Girders	(25)
Total Budget Adjustments	(429)

4.2 Due to the Covid 19 pandemic a full review of the long-term Capital Plan was conducted in order to inform the operational and financial requirements in the short- to medium-term. This review was shared with Transport Scotland as it informs the Scottish Government's Spending Review.

4.3 Details of current capital works and the main reasons for movements on each project are:

4.4 Carriageway Resurfacing: The original 2020/2021 budget was £200,000. The tender report for the appointment of a consulting engineer informed the outturn position (see Engineering Works report TRB 16-2019 and Tender Report TRB 32-2019 at December 2019 Board). Expenditure in 2019/2020 was £10,000 with an additional £42,000 slippage into 2020/2021. The revised budget for 2020/2021 is anticipated to be £100,000 with slippage of £100,000 into 2021/2022.

4.5 Cathodic Protection (CP) Hardware: The original 2020/2021 budget was £250,000 for the replacement of CP hardware at the base of the columns. The majority of this project is projected to slip into 2021/2022, resulting in a revised budget of £25,000 for an external consultant's report.

4.6 Inspection of Columns and Piers: The original 2020/2021 budget was £250,000. The tender report to the March 2020 Board (TRB 5-2020) informs the outturn position of £224,000.

4.7 Replacement of Expansion Joints: The original 2020/2021 budget of £25,000 has been revised upwards to £30,000 to take account of anticipated works.

4.8 Bridge Office Refurbishment: The original 2020/2021 budget was £200,000. The Tender report for the programmed works (Report TRB 33-2019) anticipated total expenditure of £686,000. Expenditure in 2019/2020 was £263,000 resulting in a revised budget for

2020/2021 of £423,000. The slippage of works from 2019/2020 was due to delays in starting the contract and the Covid 19 lockdown period.

- 4.9 New Gantries: The original 2020/2021 budget was £175,000, this is for the start of the main works to replace the gantries and has slipped into 2021/2022 and future years. The tender report for the appointment of a consulting engineer informs the outturn position (see Engineering Works report TRB 16-2019 and Tender Report TRB 32-2019 at December 2019 Board), this is anticipated to be £100,000 in 2020/2021.
- 4.10 Scour Protection: The original 2020/2021 budget was £25,000. This project will not take place this year so the revised budget has been reduced to £nil.
- 4.11 Fife Landfall Improvements: The original budget was £200,000. Due to the rescheduling of capital works as a result of Covid 19 these works have slipped into 2021/2022.
- 4.12 Paintwork to Box Girders: The original 2020/2021 budget was £25,000. This is not anticipated to be spent so the revised budget has been reduced to £nil.
- 4.13 Gantry Miscellaneous: The original 2020/2021 budget of £25,000 is projected to be spent.
- 4.14 Miscellaneous Projects: The original 2020/2021 budget of £100,000 is projected to be spent.
- 4.15 Lift Replacement: The retention payment of £4,000 which was due in 2019/2020 slipped into 2020/2021.
- 4.16 New Switch Gear: The retention payment of £3,000 which was due in 2019/2020 slipped into 2020/2021. Additional works in relation to safety screens totalling £12,000 have also been scheduled for 2020/2021.

5.0 RISK ASSESSMENT

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

- 5.6 The Capital Monitoring report and the Engineer's report provide information on individual projects contained within the Capital Budget and the impact of expenditure movements on the future financial years.
- 5.7 The level of Capital Grant received from the Scottish Government may be impacted by budgetary constraints in future financial statements.

6.0 CONCLUSION

- 6.1 The Board's 2020/2021 capital programme is showing a projected capital spend of £1,046,000 which will be funded from the current year's Scottish Government grant.
- 6.2 The 2020/2021 capital expenditure programme will continue to be monitored on a regular basis throughout the remainder of the current financial year.

7.0 POLICY IMPLICATIONS

- 7.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

8.0 CONSULTATIONS

- 8.1 The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

9.0 BACKGROUND PAPERS

- 9.1 None.

GREGORY COLGAN
TREASURER

21 AUGUST 2020

TAY ROAD BRIDGE JOINT BOARD

APPENDIX A

TABLE 1: CAPITAL EXPENDITURE MONITORING - 4 MONTHS TO 31 JULY 2020

<u>Expenditure</u>	<u>Strategic Objective</u>	<u>Capital Budget 2020/21 £000</u>	<u>Slippage from 2019/20 £000</u>	<u>Budget Adjust £000</u>	<u>Slippage into 2021/22 £000</u>	<u>Revised Capital Budget 2020/21 £000</u>	<u>Actual to 31 July 2020 £000</u>	<u>Projected Outturn 2020/21 £000</u>	<u>Variance from Budget £000</u>
									-
Carriageway Resurfacing	1	200	42	(42)	(100)	100	-	100	-
CP Hardware	5	250	-	-	(225)	25	-	25	-
Inspection of Columns & Piers	5	250	-	(26)	-	224	-	224	-
Replacement of Expansion Joints	1	25	-	5	-	30	5	30	-
Bridge Office Refurbishment	5	200	295	(72)	-	423	53	423	-
New Gantries	5	175	-	100	(175)	100	-	100	-
Scour Protection	5	25		(25)	-	-	-	-	
Fife Landfall Improvements	5	200	-	-	(200)	-	-	-	
Paintwork to Box Girders	5	25	-	-	(25)	-	-	-	
Gantry – Miscellaneous	5	25	-	-	-	25	-	25	
Miscellaneous Projects	5	100	-	-	-	100	(5)	100	
Lift Replacement	1	-	4	-	-	4	-	4	-
New Switch Gear	5	-	3	12	-	15	1	15	-
Total Gross Expenditure		<u>1,475</u>	<u>344</u>	<u>(48)</u>	<u>(725)</u>	<u>1,046</u>	<u>54</u>	<u>1,046</u>	<u>-</u>
Funded by:		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Capital Grant 2020/2021		1,475	344	(48)	(725)	1,046	-	1,046	-
Total Funding		<u>1,475</u>	<u>344</u>	<u>(48)</u>	<u>(725)</u>	<u>1,046</u>	<u>-</u>	<u>1,046</u>	<u>-</u>

TABLE 2: Unapplied Capital Grant Projected Carry Forward:

	<u>£000</u>
Unapplied Capital Grant Brought Forward	184
<u>Add:</u> Projected Capital Grant Received 2020/2021	1,046
<u>Less:</u> Projected Capital Grant Utilised 2020/2021	(1,046)
<u>Less:</u> Repayment of Unapplied Capital Grant Brought Forward from Previous Years	(184)
Unapplied Capital Grant Carried Forward to 2021/2020	<u>-</u>

LINKING THE 2020/2021 CAPITAL BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES

Strategic Objective		<u>Capital Budget 2020/2021 £000</u>	<u>Revised Capital Budget 2020/2021 £000</u>	<u>Actual Expenditure to 31 July 2020 £000</u>	<u>2020/2021 Projected £000</u>
1	Meeting User Expectations	225	134	5	134
2	Fiscally Sustainable	-	-	-	-
3	Transparent Governance and Clear Decision-Making Processes	-	-	-	-
4	A Modern, Diverse and Well-Trained Workforce	-	-	-	-
5	Quality and Standards	<u>1,250</u>	<u>912</u>	<u>49</u>	<u>912</u>
TOTAL GROSS EXPENDITURE		<u>1,475</u>	<u>1,046</u>	<u>54</u>	<u>1,046</u>

REPORT TO: TAY ROAD BRIDGE JOINT BOARD - 14 SEPTEMBER 2020
REPORT ON: 2020/2021 INSURANCE PROGRAMME
REPORT BY: TREASURER
REPORT NO: TRB 13-2020

1 PURPOSE OF REPORT

This report provides an overview of the insurance arrangements for the financial year 2020/2021.

2 RECOMMENDATIONS

It is recommended that the Joint Board notes the details contained within this report.

3 FINANCIAL IMPLICATIONS

The financial implications of the 2020/2021 insurance programme are detailed in Appendix A. Covers have been negotiated within the provision contained in the approved 2020/2021 Revenue Budget.

4 MAIN TEXT

All policies are negotiated by Dundee City Council's Senior Insurance and Loss Control Officer under the Service Level Agreement with Corporate Services. All policies are arranged through the insurance brokers Marsh with the exception of the Death in Service policy which is arranged directly with the insurers.

4.1 Property / Material Damage / Business Interruption:

Covers property damage to the bridge assets, buildings and contents, and increased cost of working following insured damage. The first loss limit for damage to the bridge is £13m.

4.2 Combined Liability Policies:

These policies cover the Joint Board's legal liabilities to its employees and to members of the public. The increase in 2020/2021 premium relates to revisions to the establishment exposure which were out of date.

4.3 Directors & Officers:

This policy is a traditional liability policy covering the individual and collective legal liabilities of Joint Board members and officers.

4.4 Fidelity Guarantee:

This policy relates to fraud / misappropriation of materials by Joint Board employees.

4.5 Personal Accident:

This policy covers personal accident and travel exposures. Variable injury benefits cover lump sum payments for death, permanent disablement, and permanent disfigurement. The travel insurance is applicable for any travel undertaken primarily for business purposes and includes cover for medical expenses, personal belongings, business equipment, cash, travel documents, travel disruption, and personal liability.

- 4.6 Hired in Plant:
This policy responds to loss of or damage to small plant hired in by the Joint Board.
- 4.7 Engineering Combined:
The principal cover afforded by this policy relates to inspection of gantries, associated infrastructure and other owned plant in compliance with statutory requirements.
- 4.8 Motor Fleet:
Covers any employee of the Joint Board for vehicles that are the property of the Bridge Board and any that are on hire, loaned or leased to the Joint Board. An excess of £100 is applicable on each claim.
- 4.9 Marine:
Provides cover for damage to Joint Board owned vessels and any liabilities resulting from their use. This has reduced since 2015/2016 due to sale of Safety Boat.
- 4.10 Death in Service:
Provides additional life cover to employees over and above that provided by the Local Government Pension Scheme (LGPS). At present this is a contractual benefit for all current employees who were in post at 31 December 2011 but was closed to new employees after 31 December 2011 (see Report TRB26-2011 at Joint Board Meeting on 12 December 2011).

5 **BACKGROUND**

There are no significant insurance renewal issues to report on for the Joint Board. All covers have been renewed with existing Insurers.

6 **POLICY IMPLICATIONS**

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

7 **CONSULTATIONS**

The Clerk, Bridge Manager and the Engineer to the Joint Board have been consulted in the preparation of this report and are in agreement with the contents.

GREGORY COLGAN
TREASURER

2 SEPTEMBER 2020

APPENDIX A**TAY ROAD BRIDGE JOINT BOARD****PREMIUM SUMMARY 2020/2021**

<u>CLASS</u>	<u>2015/16</u> <u>£</u>	<u>2016/17</u> <u>£</u>	<u>2017/18</u> <u>£</u>	<u>2018/19</u> <u>£</u>	<u>2019/20</u> <u>£</u>	<u>2020/21</u> <u>£</u>
Property	51,357	53,053	53,295	40,388	40,388	40,508
Combined Liability	17,120	18,234	18,487	16,800	16,800	24,349
Excess Public Liability	4,007	4,139	3,608	3,490	4,832	5,073
Directors & Officers	1,357	1,402	1,408	1,434	1,434	1,434
Fidelity	901	931	935	952	1,051	1,051
Personal Accident	943	974	930	906	891	906
Hired in Plant	820	847	851	866	875	883
Engineering Combined	11,989	12,452	11,688	11,807	11,726	12,102
Motor Fleet	4,801	5,202	5,697	8,688	8,949	8,369
Marine	1,502	1,314	1,320	1,344	1,344	1,422
Death in Service	4,361	4,361	2,952	2,557	2,022	2,361
TOTAL	<u>99,158</u>	<u>102,909</u>	<u>101,171</u>	<u>89,232</u>	<u>90,312</u>	<u>98,458</u>

Premiums include HM Government's Insurance Premium Tax (12% from 2018 to current year, previously 10% from 2017, 9.5% from 2016, and 6% from 2011).

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Tay Road Bridge Joint Board Audit of 2019/20 annual accounts

2 September 2020

Independent auditor's report

1. Our audit work on the 2019/20 annual accounts is now substantially complete. Subject to the receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report following approval of the annual accounts by the Joint Board on 14 September 2020. The proposed independent auditor's report is attached at [Appendix A](#).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Joint Board's consideration our proposed annual report on the 2019/20 audit. The section on "significant findings to report" sets out the issues identified in respect of the annual accounts.
3. The report also sets out conclusions from our consideration of the audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.
4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected. We have one unadjusted misstatements that management has concluded will not be corrected on the grounds of immateriality.

Fraud, subsequent events and compliance with laws and regulations

6. In presenting this report to the Joint Board we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from management

7. As part of the completion of our audit, we are seeking written representations from management on aspects of the annual accounts, including the judgements and estimates made.

8. A draft letter of representation is attached at [Appendix B](#). This should be completed on the Joint Board's headed 'paper', signed and returned to us by the Section 95 Officer with the signed annual accounts prior to the independent auditor's report being certified.

Concluding remarks

9. I take this opportunity to record my thanks for the patient and courteous assistance extended to the audit team. Staff provided good support to the audit team which helped to ensure that the audit process ran smoothly.



Bruce Crosbie
Senior Audit Manager
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

APPENDIX A: Proposed Independent Auditor's Report

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

Report on the audit of the financial statements

Opinion on financial statements

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

Responsibilities of the Treasurer and 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 website <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of my auditor's report.

Other information in the annual accounts

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

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

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

Bruce Crosbie FCCA
Senior Audit Manager
Audit Scotland
4th Floor
102 Westport
Edinburgh
EH3 9DN

APPENDIX B: Letter of Representation (ISA 580)

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

Dear Bruce

Tay Road Bridge Joint Board Annual Accounts 2019/20

1. This representation letter is provided about your audit of the annual accounts of Tay Road Bridge Joint Board for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Joint Board, the following representations given to you in connection with your audit of Tay Road Bridge Joint Board for the year ended 31 March 2020.

General

3. Tay Road Bridge Joint Board and I have fulfilled our statutory responsibilities for the preparation of the 2019/20 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (2019/20 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Tay Road Bridge Joint Board at 31 March 2020 and the transactions for 2019/20.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2019/20 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Tay Road Bridge Joint Board circumstances and have been consistently applied.
8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed Tay Road Bridge Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Tay Road Bridge Joint Board's ability to continue as a going concern.

Assets

10. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2020 does not differ materially from that which would be determined if a revaluation had been carried out at that date.
11. I carried out an assessment at 31 March 2020 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.
12. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2020.
13. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.
14. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

15. All liabilities at 31 March 2020 of which I am aware have been recognised in the annual accounts.
16. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2020 of which I am aware where the conditions specified in the 2019/20 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2020. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

17. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2020 or to reflect material changes in the assumptions underlying the calculations of the cash flows.
18. The accrual recognised in the financial statements for holiday untaken by 31 March 2020 has been estimated on a reasonable basis.
19. The pension assumptions made by the actuary in the IAS 19 report for Tay Road Bridge Joint Board have been considered and I confirm that they are consistent with management's own view.
20. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Contingent liabilities

21. There are no significant contingent liabilities, other than those disclosed in Note 26 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and IAS 37

Fraud

22. I have provided you with all information in relation to:
 - my assessment of the risk that the financial statements may be materially misstated because of fraud
 - any allegations of fraud or suspected fraud affecting the financial statements
 - fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

23. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

24. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2019/20 accounting code. I have made available to you the identity of all the Tay Road Bridge Joint Board's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

25. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

26. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

27. I confirm that the Tay Road Bridge Joint Board has undertaken a review of the system of internal control during 2019/20 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.
28. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2020, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

29. All events subsequent to 31 March 2020 for which the 2019/20 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Gregory Colgan

Treasurer to the Tay Road Bridge Joint Board

Tay Road Bridge Joint Board

Proposed 2019/20 Annual Audit Report



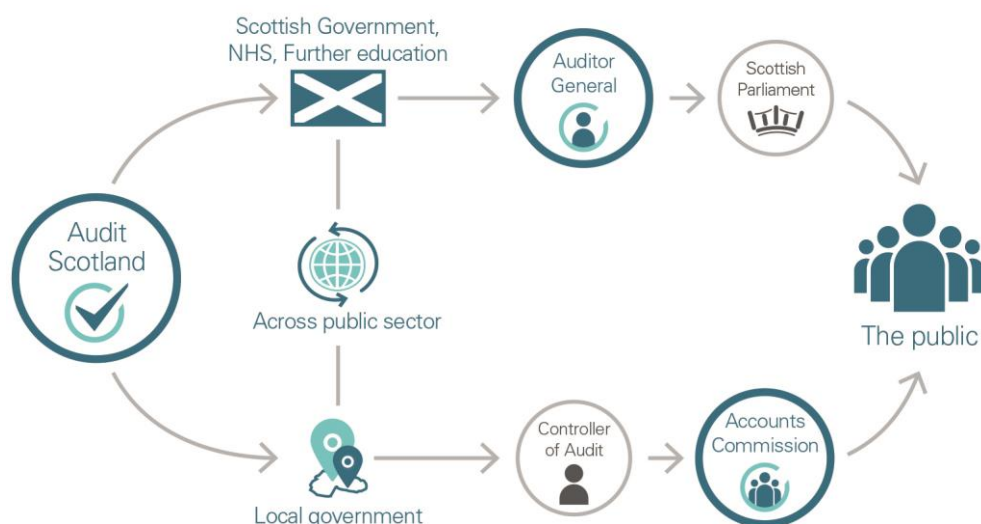
Prepared for the Members of Tay Road Bridge Joint Board and the Controller of Audit
2 September 2020

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Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Key messages

2019/20 annual accounts

- 1** The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- 2** The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and are prepared in accordance with relevant regulations and guidance.
- 3** The joint board has valued its assets on an appropriate basis and using information provided by professional valuers. The audit opinion includes an emphasis of matter paragraph to draw attention to the joint board's disclosure of material uncertainty in the valuation of the board's property assets due to the impact of Covid-19 on global markets.
- 4** Despite the Covid-19 pandemic, the original timetable for the audit of the annual accounts was achieved.

Financial sustainability

- 5** The joint board has a good level of reserves and is financially sustainable in the foreseeable future.
- 6** Progress has been made with medium term financial planning and financial plans are now linked to the joint board's strategic objectives.

Governance and transparency

- 7** Overall, governance and transparency arrangements were adequate in 2019/20.
- 8** Changes to the governance arrangements in response to Covid-19 since March 2020 are appropriate.

Introduction

1. This report summarises the findings from our 2019/20 audit of Tay Road Bridge Joint Board (the joint board).

2. The scope of our audit was set out in our 2019/20 Annual Audit Plan presented to the March 2020 meeting of the Board. This report comprises the findings from:

- an audit of the annual accounts
- our consideration of financial sustainability and the governance and transparency arrangements in the joint board.

3. Subsequent to the publication of the Annual Audit Plan, in common with all public bodies, the joint board has had to respond to the COVID-19 pandemic. This impacted on the final month of the year and will continue to have significant impact into financial year 2020/21. Our planned audit work has had to adapt to new emerging risks as they relate to the audit of the financial statements.

4. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements as illustrated in [Exhibit 1](#).

Exhibit 1 **Audit dimensions**



Source: Code of Audit Practice 2016

5. The Code of Audit Practice 2016 (the Code) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the financial sustainability of the body and its services and the appropriateness of the disclosures in the annual governance statement.

6. As highlighted in our 2019/20 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2019/20 audit of the joint board.

Adding value through the audit

7. We add value to the joint board through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
- providing clear conclusions on the appropriateness, effectiveness and impact of corporate governance and financial sustainability.

8. In so doing, we aim to help the joint board promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

9. The joint board has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

10. The joint board is also responsible for compliance with legislation putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

11. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice (2016) and supplementary guidance and International Standards on Auditing in the UK.

12. As public sector auditors we give independent opinions on the annual accounts. Additionally, for the joint board we conclude on the suitability and effectiveness of corporate governance arrangements, and the arrangements for securing financial sustainability. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice 2016 and supplementary guidance.

13. This report raises matters from our audit. The weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

14. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out a specific recommendation, responsible officer and date for implementation. It includes an update on action on last year's action plan recommendations.

Auditor Independence

15. We confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2019/20 audit fee of £12,640 as set out in our Annual Audit Plan, remains unchanged.

16. We are not aware of any relationships that could compromise our objectivity and independence.

17. This report is addressed to both the joint board and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

18. We would like to thank the management and staff for their cooperation and assistance during the audit.

Part 1

Audit of 2019/20 annual accounts



Main judgements

The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and are prepared in accordance with relevant regulations and guidance.

The joint board has valued its assets on an appropriate basis and using information provided by professional valuers. The audit opinion includes an emphasis of matter paragraph to draw attention to the joint board's disclosure of material uncertainty in the valuation of the board's property assets due to the impact of Covid-19 on global markets.

Despite the Covid-19 pandemic, the original timetable for the audit of the annual accounts was achieved.

Our audit opinions on the annual accounts are unmodified

19. The annual accounts are the principal means of accounting for the stewardship of the joint board's resources and its performance in the use of those resources.

20. The annual accounts for the year ended 31 March 2020 were approved by the Board on 14 September 2020.

21. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

The annual accounts were signed off on time

22. Unaudited annual accounts were scheduled to be provided for audit by 11 June 2020 to allow sign off by the Scottish Government deadline of 30 September 2020. Due to the impact of Covid-19, the Scottish Government extended the deadline for submission of local authority audited annual accounts to 30 November 2020, however we agreed with officers that the original timetable would be adhered to.

23. The unaudited annual accounts were received on 29 June 2020 and were complete and of a good standard. Covid-19 had a significant impact on how we conducted our audit with remote working required by officers and the audit team.

We are grateful to the joint board's finance staff for the assistance they provided in these circumstances which helped ensure the final accounts audit process ran relatively smoothly.

24. The completeness and accuracy of accounting records and the extent of information and explanations that we required for our audit were affected by the Covid-19 outbreak. Examples included:

- bank letters to support bank reconciliations were not provided by the bank
- asset physical verification
- asset valuations.

25. However, we did not consider these to be material to our audit opinions and have not modified our opinion.

26. The joint board has valued its assets on an appropriate basis and using information provided by professional valuers. The audit opinion includes an emphasis of matter paragraph to draw attention to the joint board's disclosure of material uncertainty in the valuation of the board's property assets due to the impact of Covid-19 on global markets.

Overall materiality for the accounts is £0.663 million

27. The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement. We carried out our initial assessment of materiality for the annual accounts during the planning phase of the audit. On receipt of the annual accounts we reviewed our planning materiality calculations. The revised materiality levels are set out in Exhibit 2.

Exhibit 2 Materiality values

Overall materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 1% of net assets for the year ended 31 March 2020.	£0.663 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 75% of overall materiality.	£0.497 million
Lower level performance materiality – A lower performance materiality has been set for classes of transactions where lesser amounts could influence the decisions of the users of the accounts (i.e. comprehensive income and expenditure statement transactions). This has been set at 1.5% of gross expenditure for the year ended 31 March 2020, based on the latest audited accounts.	£0.058 million
Reporting threshold (i.e., clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 5% of overall materiality.	£0.033 million

Appendix 2 identifies the main risks of material misstatement and our audit work to address these

28. [Appendix 2](#) provides a description of those assessed risks of material misstatement in the annual accounts and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks.

29. We have no issues to report from our work on the risks of material misstatement highlighted in our 2019/20 Annual Audit Plan.

One misstatement was identified that exceeded our reporting threshold

30. One misstatement was identified that exceeded our reporting threshold. Details of the misstatement are included in our 'significant findings' paragraphs below.

31. We identified a small number of presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts.

We have one significant finding to report

32. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance. We have one significant finding to report.

33. The Valuation Certificate provided by the professional valuers placed a valuation of £1.379 million on the joint board's land and building assets as at 31 March 2020. The valuation in the annual accounts as at 31 March 2020 is £1.303 million, a difference of £0.076 million. Management has chosen not to adjust for the misstatement on the grounds of immateriality.

Part 2

Financial sustainability



Main judgements

The joint board has a good level of reserves and is financially sustainable in the foreseeable future.

Progress has been made with medium term financial planning and financial plans are now linked to the joint board's strategic objectives.

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Financial performance in 2019/20 was better than anticipated

34. In December 2018, the Board approved a revenue budget of £1.621 million for 2019/20. This was a small decrease of £0.009 million (0.6%) on the approved budget for 2018/19. The 2019/20 budget anticipated a £0.035 million deficit to be met from the joint board's general reserve.

35. The financial performance of the joint board during 2019/20 was better than anticipated and it achieved break even on its revenue budget. The £0.035 million transfer from reserves was not required.

36. Although the joint board broke even overall, there are variations in some areas, the more significant of which are summarised in [Exhibit 3](#).

Exhibit 3

Summary of significant variations against budget

Area	Variance Favourable/ (unfavourable)	Main reason(s) for variance
Plant & equipment	£0.060 million	Reduced expenditure on Cathodic Protection equipment maintenance and professional fees due to major work in this area being scheduled for future years. Also, savings on hire of safety boat, electricity costs for lighting on the bridge and maintenance of traffic signs. These were partly offset by increased expenditure on a weather monitoring software license.
Bridge maintenance	£0.047 million	Lower than anticipated expenditure in relation to staff overtime not required, training costs, ground maintenance at the Dundee and Fife Landfall areas, electricity costs for lighting at

Area	Variance Favourable/ (unfavourable)	Main reason(s) for variance
		Fife Car Park, plant hire, purchase of materials and bridge inspections, partly offset by increased expenditure on structural inspections.
Non- Specific Grant Income	£(0.375) million	Reduced grant income of £0.191 million to reflect net underspends on budget heads and £0.184 million of repayment of grant to the Scottish Government.
CFCR	£0.093 million	Underspend on minor improvement works.
Other adjustments	£0.184 million	Repayment of grant to the Scottish Government funded through the capital grants unapplied account.

Source: Tay Road Bridge Joint Board Annual Accounts 2019/20

Capital Expenditure

37. The original capital expenditure budget for 2019/20, approved in December 2018, was £1.795 million. After in-year budget adjustments were made, the budget was reduced to £1.532 million.

38. The joint board incurred capital expenditure of £0.712 million in 2019/20 which was funded by capital grant from the Scottish Government of £0.649 million, capital funded from revenue of £0.057 million and capital receipts of £0.006 million.

39. Capital slippage of £0.821 million (54% of the adjusted budget) was identified for 2019/20. The main items of slippage were £0.250 million on Cathodic Protection Hardware, £0.222 million for inspection of columns and piers, and £0.300 million for bridge office refurbishment.



Recommendation 1

The level of capital slippage should be reviewed to reduce the risk of it impacting on service delivery.

Financial planning

40. The joint board produces a three-year revenue budget. In our 2018/19 Annual Audit Report we recommended that the joint board's financial reporting, including the three-year revenue budget, should demonstrate a clear link to the objectives in its Strategic Plan, approved in December 2018. We note that this recommendation has been implemented in 2019/20.

Reserves

41. The joint board holds a general fund reserve, the main purpose of which is to provide a contingency fund to meet unexpected expenditure and as a working balance to help cushion the impact of uneven cash flows. The usable general reserve held by the joint board at 31 March 2020 remained at the same level as 31 March 2019, at £1.161 million.

42. The Board reviews the level of its reserves when setting the budget each year. The joint board's approved reserves strategy specifies that uncommitted reserves should be £0.8 million and therefore the level of uncommitted general reserve exceeds the minimum level in the approved reserve strategy.

43. In December 2019, the Board agreed its 2020/21 budget and noted its budget for 2021/22 and 2022/23. The budgets anticipate a break-even position over the three-year period. The financial plan may need to be revised following the impact of the Covid-19 pandemic.

Capital planning

44. The 2020/21 to 2022/23 capital programme, approved in December 2019, anticipates capital expenditure of £19.08 million. The joint board has agreed a capital grant of £1.475 million for 2020/21, leaving an additional funding requirement of £17.605 million for the period 2021-23 yet to be identified under the approved capital programme.

45. The existing capital plan may need to be revised following the impact of the Covid-19 pandemic as capital projects are delayed as a result of the outbreak.

National performance audit reports

46. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. [Appendix 3](#) highlights a number of the reports published in 2019/20.

Part 3

Governance and transparency



Main Judgements

Overall, governance and transparency arrangements were adequate in 2019/20.

Changes to the governance arrangements in response to Covid-19 since March 2020 are appropriate.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

Annual Governance Statement

47. Our review of the annual governance statement assessed the assurances which are provided to the Bridge Manager regarding the adequacy and effectiveness of the joint board's system of internal control which operated in the financial year.

48. The statement highlights areas for improvement including revision of data protection procedures to ensure compliance with the General Data Protection Regulations, review of the joint board's website to improve information quality, revision to the whistleblowing policy, training for employees and reviewing the joint board's response to Covid-19.

49. The statement also includes internal audit's conclusion from their work on the system of internal controls, which states that "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."

50. We concluded that the information in the annual governance statement is consistent with the financial statements and complies with applicable guidance.

Overall, governance and transparency arrangements were adequate in 2019/20

51. The joint board is governed by a Board (the Board) consisting of members from Dundee City, Angus and Fife Councils. The Board meets quarterly.

52. The governance and transparency arrangements that we considered include:

- the structure and conduct of the Board
- openness and transparency
- overall arrangements and standards of conduct including those for the prevention and detection of fraud, error, bribery and corruption.

53. From our attendance at Board meetings we have observed that sufficient time is allowed to discuss the issues on the agendas and members are well prepared and ask appropriate questions.

54. Openness and transparency means that the public have access to understandable, relevant and timely information about how the joint board is taking decisions and how it is using resources such as money, people and assets.

55. The joint board demonstrates its commitment to transparency in a number of ways:

- members of the public can attend meetings of the Board
- agendas and minutes for the joint board meetings and supporting papers are readily available on the joint board's website
- the availability of the annual accounts on the website. These include a management commentary which provides details of performance against budget, information on the use of reserves and risks and uncertainties facing the joint board.

56. We have concluded that, overall, the joint board has appropriate governance and transparency arrangements in place that support the scrutiny of decisions made by the Board.

Amended governance arrangements were put in place from March 2020 as a result of Covid-19

57. The impact of Covid-19 from March 2020 on the governance arrangements has been set out in the Annual Governance Statement in the annual accounts. The joint board's existing Scheme of Delegation was relied on in order to ensure that officers acted in accordance with the powers which the Board has already delegated. Further interim governance arrangements were put in place including:

- all non-essential Board business deferred to ensure that all Board Members and all Officers can concentrate on supporting the Board through the Coronavirus period
- all essential Board business not covered by the Scheme of Delegation was dealt with as urgent matters by the Clerk, in consultation with the Chair and Vice-Chair of the Board.

58. We have concluded that the interim governance arrangements put in place following the coronavirus outbreak are appropriate.

The joint board has appropriate arrangements in place for prevention and detection of fraud and error

59. The joint board is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, the board is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

60. We have reviewed the arrangements in place and concluded that appropriate arrangements are in place for the prevention and detection of fraud, error and irregularities, bribery and corruption. The joint board's continuous improvement agenda includes a revision to the whistleblowing policy. We are not aware of any specific issues that we need to bring to your attention.

Internal audit

61. The joint board's internal audit function is carried out by MHA Henderson Loggie. Each year we consider whether we can rely on internal audit work to avoid duplication of effort. When we plan to place reliance on internal audit work we carry out an assessment of the internal audit function to ensure that it is sufficient in terms of documentation standards, reporting procedures and quality, and is performed in accordance with Public Sector Internal Audit Standards (PSIAS).

62. We reviewed the joint board's internal audit arrangements in accordance with International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent we could rely on the work on internal audit. Overall, we concluded that the internal audit service generally operates in accordance with PSIAS and has sound documentation standards and reporting practices in place.

63. In our 2019/20 annual audit plan we highlighted that we did not plan to place reliance on the work of internal audit for our financial statements responsibilities, however we did plan to consider internal audit's work for the purpose of our wider dimension audit responsibilities. Consideration of internal audit's work in 2019/20 did not identify any significant issues to be reported in respect of those wider dimension audit responsibilities.

Appendix 1

Action plan 2019/20



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Capital slippage of £0.821 million was identified. This accounts for 54% of the adjusted capital budget for 2019/20.</p> <p>Risk: There is a risk that capital projects that are not completed timeously could impact on service delivery.</p>	<p>The level of capital slippage should be reviewed to reduce the risk of it impacting on service delivery.</p> <p>Paragraph 39</p>	<p>Capital slippage will be reviewed going forward.</p> <p>Responsible officer: Treasurer / Bridge Manager.</p> <p>Agreed action date: 31 March 2021.</p>

Prior year recommendations

b/f 1	<p>Reporting links to strategic objectives</p> <p>The Strategic Plan was approved by the Board in December 2018. This provides the joint board with the opportunity to clearly demonstrate the link to the Strategic Plan objectives in its financial reporting, although this is not yet evident.</p> <p>Risk: The joint board may not be able to demonstrate that financial decisions are effective in meeting the Joint Board's strategic objectives.</p>	<p>Having introduced a Strategic Plan containing the joint boards strategic objectives, the joint board should now ensure that its financial reporting demonstrates clear links to those objectives. The impact of EU withdrawal should also be evident in the joint board's financial plans.</p>	<p>Action is complete.</p>
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Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion.

Audit risk	Assurance procedure	Results and conclusions
Risks of material misstatement in the financial statements		
<p>1 Risk of material misstatement caused by management override of controls</p> <p>Auditing Standards require that audits are planned to consider the risk of material misstatement caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of management override of controls that results in fraudulent financial statements.</p>	<ul style="list-style-type: none"> Owing to the nature of this risk, assurances from management are not applicable in this instance. 	<ul style="list-style-type: none"> No instances of management override of controls were identified. All journals and significant transactions tested (including accruals) were found to be appropriate. Sources of accounting estimates were reviewed and found to be without management bias. We reviewed transactions for the year. No significant transactions were identified that are outside the normal course of the joint board's business.
<p>2 Risk of material misstatement caused by fraud in expenditure</p> <p>As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.</p> <p>The joint board incurs significant expenditure which requires audit coverage.</p>	<ul style="list-style-type: none"> Budget monitoring by management. Governance arrangements including Standing Orders, Standing Financial Instructions and Fraud Guidelines. Internal controls in financial systems to mitigate risks of error or manipulation. 	<ul style="list-style-type: none"> Detailed testing of key financial controls over expenditure within Dundee City Council systems used by the joint board found no significant weaknesses which would impact on the joint board's transactions. Testing of 2019/20 expenditure transactions identified no errors or instances of fraud.
<p>3 Risk of material misstatement caused by estimation and judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets and pensions. This subjectivity represents an</p>	<ul style="list-style-type: none"> Actuarial valuation to provide pensions figures for the financial statements. Officer review of actuary information to ensure data and assumptions used are reasonable. Valuation and impairment review of non-current 	<ul style="list-style-type: none"> Estimations and judgements applied were tested to confirm they were appropriate and reasonable. No issues were highlighted with the estimates and judgements applied.

Audit risk	Assurance procedure	Results and conclusions
increased risk of misstatement in the financial statements.	assets by a professional valuer.	
Risks of material misstatement in the financial statements		
<p>4 Financial sustainability – capital planning</p> <p>There continues to be a significant capital funding gap for the 2019/20 – 2022/23 capital programme, with funding for £17.605 million of the £20.151 million budget yet to be identified (relating to 2021/22 and 2022/23). We note that officers anticipate that this funding will be forthcoming from Transport Scotland.</p> <p>The 2019/20 capital programme anticipated capital spend of £1.795 million. Officers project capital spend of £1.071 million for 2019/20 with slippage of £0.477 million into 2020/21. There is a risk that capital projects are not completed timeously which could impact on service delivery.</p>	<ul style="list-style-type: none"> • The funding is to be included in budget estimates when it is confirmed. • Regular capital monitoring reports to joint board. 	<ul style="list-style-type: none"> • Monitored capital budget. A significant level of slippage was identified in 2019/20. Refer paragraph 39.

Appendix 3

Summary of national performance reports 2019/20



		Apr	
Social security: Implementing the devolved powers		May	
Scotland's colleges 2019		Jun	Enabling digital government
		Jul	
NHS workforce planning - part 2		Aug	
Finances of Scottish universities		Sept	
NHS in Scotland 2019		Oct	
		Nov	
Local government in Scotland: Financial overview 2018/19		Dec	
Scotland's City Region and Growth Deals		Jan	Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models
		Feb	
		Mar	Early learning and childcare: follow-up

Tay Road Bridge Joint Board

Proposed Proposed 2019/20 Annual Audit Report

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ITEM No ...13 (b).....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 14 SEPTEMBER 2020

REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL REPORT ON THE 2019/2020 AUDIT OF TAY ROAD BRIDGE JOINT BOARD

REPORT BY: TREASURER

REPORT NO: TRB 14-2020

1 PURPOSE OF REPORT

This report is a response to the report prepared by the Board's external auditor on the audit of Tay Road Bridge Joint Board for the year ended 31 March 2020. A copy of the external auditor's draft report and the Board's Audited Statement of Accounts are included on the agenda as separate items.

2 RECOMMENDATIONS

It is recommended that the Board:

- i notes the contents of the draft external auditor's report including the completed action plan at Appendix 1 and in particular that Audit Scotland have indicated that they will issue an unqualified audit opinion on the 2019/2020 Annual Accounts;
- ii endorse this report as the Board's formal response to the external auditor's report;
- iii instruct the Treasurer to arrange for the Audited Annual Accounts noted above to be signed and then returned to the external auditor; and
- iv instruct the Treasurer thereafter to arrange for the above Annual Accounts, including copies of all audit certificates to be published on the Board's website by no later than 31 October 2020.

3 FINANCIAL IMPLICATIONS

The Board's 2019/2020 Movement in Reserves Statement shows that there was a break-even position during the year. This gives a total General Reserve Balance of £1,160,591 as at 31 March 2020.

4 MAIN TEXT

Introduction

- 4.1 External audit is one of the key methods by which the activities and performance of local government are independently scrutinised and reported upon. The external audit of the Board for the financial year 2019/2020 was carried out by Mr Bruce Crosbie, Senior Audit Manager, Audit Scotland. The Joint Board's External Auditors are normally appointed for a five-year period and the financial year 2019/2020 marked the fourth year of Audit Scotland's appointment. However, as a result of the COVID 19 pandemic, the Auditor General for Scotland and the Accounts Commission for Scotland announced their intention to extend the current audit appointments by one year, and it is therefore anticipated that the final year of Audit Scotland's appointment will be the 2021/22 financial year.

- 4.2 The 2019/2020 unaudited Annual Accounts were submitted to Audit Scotland, prior to the required statutory deadline of 30 June 2020. The accounts have since been subject to a three-week statutory public inspection period and no objections were received.

External Auditors Report

- 4.3 Audit Scotland have now completed their audit work and, in accordance with auditing standards (ISA 260: Communication with those charged with governance), are required to report the outcome of their work in relation to their review of the financial statements, prior to formally issuing their audit opinions. This requirement has been addressed in the External Auditor's report.
- 4.4 The report summarises the findings in relation to the overall audit of the Board for the year ended 31 March 2020. The attached report describes the scope of audit work undertaken during 2019/2020 and the issues arising from that work are divided into the following key areas:
- Key Messages;
 - Introduction;
 - Audit of 2019/2020 Annual Accounts;
 - Financial Sustainability;
 - Governance and Transparency, including an assessment as to the appropriateness of the amended governance arrangements as a result of Covid 19.; and
 - Appendices.
- 4.5 In addition to the Members of the Board, the external auditor's report is also addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the external auditor's responsibilities and scope of work, the report is by necessity both fulsome and extensive. A copy of his report is included on the agenda as a separate item. Accordingly, it is not the intention in this report to provide a detailed response or commentary on all the external auditor's findings.

External Auditor's Conclusions

- 4.6 The external auditor has undertaken a thorough and wide-ranging review of the financial statements and the processes and procedures around their preparation. It is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular the Board can take encouragement from the following findings:
- the accounts were submitted on time;
 - there was no qualification to the auditor's opinion;
 - final accounts working papers were of good quality;
 - assurance can be placed on the financial systems and internal financial controls used by the Board;
 - the Board's financial position is considered to be sustainable in the foreseeable future;
 - the Board has appropriate corporate governance arrangements in place that support the scrutiny of decisions made by the Joint Board;
 - interim changes to the governance arrangements in response to Covid 19 since March 2020 were appropriate; and
 - the Board demonstrates a commitment to transparency in the way it conducts its business.

External Auditor's Recommendations

- 4.7 The External Auditor has made only one recommendation for improvement arising from the 2019/2020 audit that requires further action by the Board. This recommendation has been considered carefully by Board officers and the completed action plan, incorporating the "agreed management action / timing", is included at Appendix 1 to the external auditor's report.

The Way Ahead

- 4.8 Following the approval of the accounts for signature, the relevant statements of the Annual Accounts will be signed and dated by the appropriate officers and then returned to the external auditor. In line with statutory requirements, copies of the Annual Accounts together with the audit certificate will then be published on the Board's website by no later than 31 October 2020.

5 **POLICY IMPLICATIONS**

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6 **CONSULTATIONS**

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

7 **BACKGROUND PAPERS**

Audit Scotland: Tay Road Bridge Joint Board - Annual Audit Report to Members on the 2019/2020 Audit (September 2020).

GREGORY COLGAN
TREASURER

3 SEPTEMBER 2020



Tay Road Bridge



TAY ROAD BRIDGE JOINT BOARD

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

AUDITED



SEPTEMBER 2020

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**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
Comparator figures for 2018/2019:					
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	Years	Reportable Incidents Involving Employees	Minor Accidents Involving Employees	Time Lost – Employees (Hrs)
	(Target = Reduction Year on Year)		(Target = 0)	(Target = 0)	(Target = 0)
2015	6	2015	0	2	0
2016	2	2016	0	2	24
2017	9	2017	0	2	0
2018	9	2018	0	3	16
2019	2	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
2015	7	7	7	36	36	36
2016	10	10	10	77	77	77
2017	4	4	4	28	28	28
2018	6	6	6	50	50	50
2019	1	1	1	28	28	28
2020 (to 31 March 2020)	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)
	Target = <5
2015	17.45
2016	5.76
2017	6.98
2018	7.55
2019	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.

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Effective and Efficient Services: Payment of Invoices

Years	Payment of Invoices within 30 days of Invoice Date
	Target = 100%
2015/16	98.06%
2016/17	98.81%
2017/18	98.86%
2018/19	98.85%
2019/20	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
Total	21	22	22	22



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.

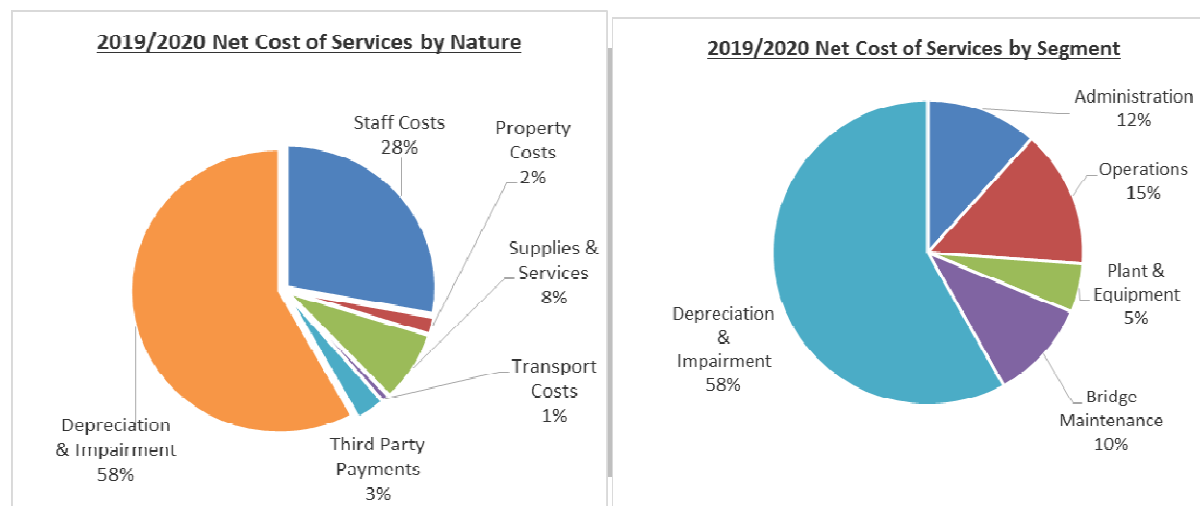
**TAY ROAD BRIDGE JOINT BOARD
MANAGEMENT COMMENTARY**

	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	-
Net Cost of Services	1,771	(150)	2,215	(3)	5	-	-	166	4,004	3,879	(125)
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
(Surplus) / Deficit on Provision of Service	35	(150)	2,215	-	5	(6)	(188)	186	2,097	2,344	247
(Surplus) / Deficit on Revaluation of PPE	-	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses on Pension Assets / Liabilities	-	-	-	-	-	-	-	(36)	(36)	(36)	-
Total Comprehensive Income & Expenditure	35	(150)	2,215	-	5	(6)	(188)	150	2,061	2,308	247
IAS 19 Adjustments	-	-	-	-	-	-	-	(150)	(150)	(155)	(5)
Other IFRS Code Accounting Adjustments	-	150	(2,215)	-	(5)	6	188	-	(1,876)	(2,153)	(277)
Total (Surplus)/ Deficit	35	-	-	-	-	-	-	-	35	-	(35)
General Reserve Balance b/fwd	(1,161)	-	-	-	-	-	-	-	(1,161)	(1,161)	-
General Reserve Balance c/fwd	(1,126)	-	-	-	-	-	-	-	(1,126)	(1,161)	(35)

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.

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 CFCR.

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:-

	Budget	Actual	Variance
	£000	£000	£000
Capital Expenditure:			
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)
	1,795	712	(1,083)

Capital expenditure was funded as follows:

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

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:

- 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.

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

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

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

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

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.

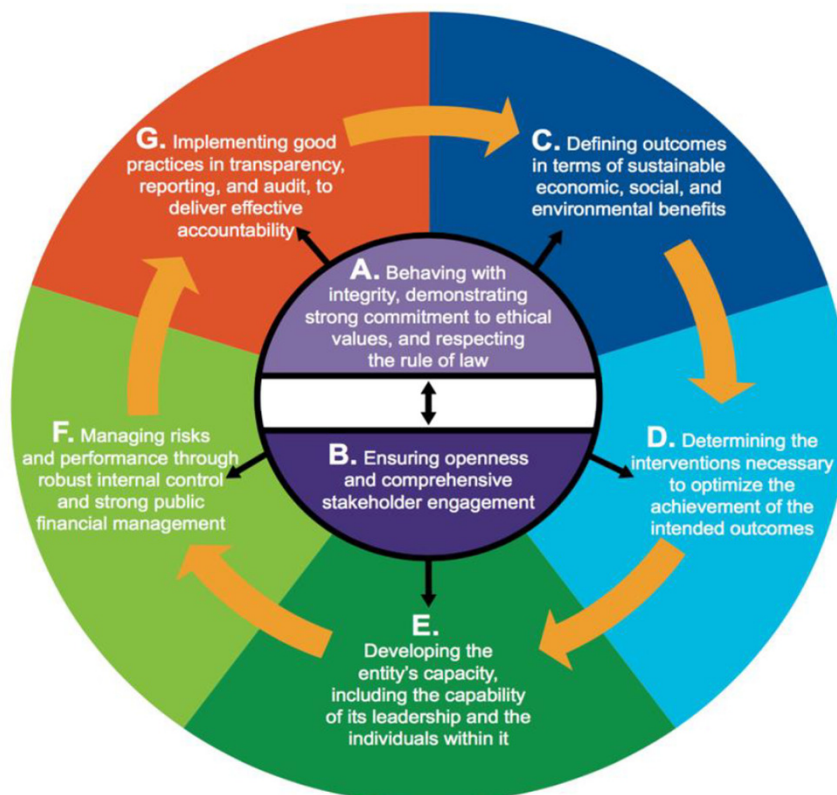
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

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 Short
Chair
Tay Road Bridge Joint Board
14 September 2020

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: • Employee; • New Employee; • CCTV; • Website; • Subject Access Request and Data Breach Documentation complete and staff made aware; and • Review meeting to be held with DCC data protection compliance officer by June 2020. 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

	Improvement	CIPFA / SOLACE Principle	CIPFA / SOLACE Code Reference	Responsible Officer	Target Completion Date	Details
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 Employees 2019/2020	No of Employees 2018/2019
£50,000 - £54,999	0	0
£55,000 - £59,999	1	1
Total	1	1

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 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 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 Short
Chair
Tay Road Bridge Joint Board
14 September 2020

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

Councillor Name	Responsibility	Salary, Fees & Allowances	Taxable Expenses	Total Remuneration 2019/2020	Total Remuneration 2018/2019
		£	£	£	£
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
Total		4,910	17	4,927	4,857

TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES

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

TABLE 3 – SENIOR EMPLOYEES ACCRUED PENSION BENEFITS

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

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 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.

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
			Expenditure			
428	6	434	Administration	441	10	451
483	69	552	Operations	492	73	565
193	-	193	Plant and Equipment	200	-	200
343	42	385	Bridge Maintenance	365	44	409
-	1,948	1,948	Corporate Costs	-	2,254	2,254
1,447	2,065	3,512	Net Cost Of Services	1,498	2,381	3,879
(1,447)	535	(912)	Other Operating Income & Expenditure	(1,498)	(37)	(1,535)
-	2,600	2,600	(Surplus) or Deficit	-	2,344	2,344
1,161			Opening General Reserve Balance	1,161		
-			Less / Add Surplus or (Deficit) on General Reserve Balance in year	-		
1,161			Closing General Reserve Balance at 31 March	1,161		

TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

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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

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

2018/2019

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

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 Net Expenditure / (Income) £000	2019/2020 Net Expenditure / (Income) £000
Expenditure:		
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
Total Expenditure	3,512	3,879
Income:		
Fees, Charges & Other Service Income	(26)	(7)
Interest & Investment Income	(14)	(15)
Government Grants & Contributions	(872)	(1,513)
Total Income	(912)	(1,535)
(Surplus) or Deficit on Provision of Services	2,600	2,344

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	Gross Income	Net Expenditure/ (Income)		Budgeted Net Expenditure (unaudited)	Gross Expenditure	Gross Income	Net Expenditure/ (Income)
£000	£000	£000		£000	£000	£000	£000
Expenditure							
434	-	434	Administration	460	451	-	451
552	-	552	Operations	574	565	-	565
193	-	193	Plant & Equipment	260	200	-	200
385	-	385	Bridge Maintenance	456	409	-	409
1,948	-	1,948	Corporate Costs	2,254	2,254	-	2,254
3,512	-	3,512	Net Cost Of Services	4,004	3,879	-	3,879
-	(26)	(26)	Other Operating Income & Expenditure (note 6)	(7)	-	(7)	(7)
23	(37)	(14)	Financing and Investment Income and Expenditure (note 7)	(12)	20	(35)	(15)
-	(872)	(872)	Non-Specific Grant Income (note 8)	(1,888)	-	(1,513)	(1,513)
3,535	(935)	2,600	Net Deficit on Provision of Services	2,097	3,899	(1,555)	2,344
-	-	-	Net deficit on revaluation of PPE	-	-	-	-
-	(172)	(172)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	(36)	-	(36)	(36)
-	(172)	(172)	Other Comprehensive Income and Expenditure	(36)	-	(36)	(36)
3,535	(1,107)	2,428	Total Comprehensive Income and Expenditure	2,061	3,899	(1,591)	2,308

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.

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

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
67,668	Total Long Term Assets		66,160
56	Inventories	22	56
38	Short Term Debtors	23	171
4,406	Cash and Cash Equivalents	13	1,333
4,500	Total Current Assets		1,560
(2,767)	Short Term Creditors	24	(472)
(2,767)	Total Current Liabilities		(472)
(809)	Net Pension Liabilities	15	(964)
(809)	Total Long Term Liabilities		(964)
68,592	Net Assets		66,284
1,806	Usable reserves	9	1,161
66,786	Unusable Reserves	10	65,123
68,592	Total Reserves		66,284

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.

2018/2019		2019/2020
£000		£000
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
(102)	Net cash flows from Operating Activities	2,778
(405)	Investing Activities (note 11)	327
(17)	Financing Activities (note 12)	(32)
(524)	Net (Increase) in cash and cash equivalents	3,073
3,882	Cash and cash equivalents at the beginning of the reporting period	4,406
4,406	Cash and cash equivalents at the end of the reporting period (note 13)	1,333

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.

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;

- 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.

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.

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

- 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.

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.

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.

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."

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	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.

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 Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Movement in Unusable Reserves</u>	<u>Total 2019/2020 £000</u>
2019/2020	General Fund Balance £000	Capital Receipts Reserve £000	Grants Unapplied Account £000			
Adjustments involving the Capital Adjustment Account:						
<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)		-
Adjustments involving the Capital Receipts Reserve:						
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	6	(6)	-	-		-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	6	-	(6)		-
Adjustments involving the Capital Grants Unapplied Account:						
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	645	(645)		-
Adjustments involving the Pensions Reserve:						
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(325)	-	-	325		-
Employer's pensions contributions and direct payments to pensioners payable in the year	134	-	-	(134)		-
Adjustment involving the Accumulating Compensated Absences Adjustment Account:						
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(5)	-	-	5		-
Total Adjustments	(2,344)	-	645	1,699		-

	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>		
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000	Total 2018/2019 £000
2018/2019					
Adjustments involving the Capital Adjustment Account:					
<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)	-
Adjustments involving the Capital Receipts Reserve:					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	12	(12)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	12	-	(12)	-
Adjustments involving the Capital Grants Unapplied Account:					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	902	(902)	-
Adjustments involving the Pensions Reserve:					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(270)	-	-	270	-
Employer's pensions contributions and direct payments to pensioners payable in the year	130	-	-	(130)	-
Adjustment involving the Accumulating Compensated Absences Adjustment Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	-	-	(2)	-
Total Adjustments	(2,600)	-	902	1,698	-

TAY ROAD BRIDGE JOINT BOARD NOTES TO THE FINANCIAL STATEMENTS

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

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

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

2018/2019		2019/2020
£000		£000
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)
(14)	Total	(15)

8 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - NON SPECIFIC GRANT INCOME

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

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

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

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**

2018/2019		2019/2020
£000		£000
<u>762</u>	Balance at 1 April	<u>762</u>
-	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>762</u>	Balance at 31 March	<u>762</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.

2018/2019		2019/2020
£000		£000
<u>68,392</u>	Balance at 1 April	<u>66,833</u>
	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>	Net written out amount of the cost of non current assets consumed in the year	<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>389</u>	Total Capital Financing Applied during the year	<u>712</u>
<u>66,833</u>	Balance at 31 March	<u>65,330</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)	Balance at 1 April	(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)	Balance at 31 March	(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)	Balance at 1 April	-
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)
-	Balance at 31 March	(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)	Net cash flows from investing activities	327

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

12 CASH FLOW STATEMENT - FINANCING ACTIVITIES

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

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

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

	Local Government Pension Scheme	
	2018/2019	2019/2020
	£000	£000
Comprehensive Income and Expenditure Statement:		
<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
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	270	325
<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)	-	-
Total Re-measurements	(172)	(36)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	98	289
Movement in Reserves Statement:		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(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)
Net liability	480	455	641
Present value of unfunded obligation	361	354	323
Net liability arising from defined benefit obligation	841	809	964

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>		
○ change in financial assumptions	383	(763)
○ change in demographic assumptions	(362)	-
Experience gain on defined benefit obligation	-	-
Benefits paid	(420)	(379)
Past service costs, including curtailments	-	39
Closing balance at 31 March	10,190	9,637

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)
Closing balance at 31 March	9,381	8,673

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:

	Local Government Pension Scheme	
	2018/2019	2019/2020
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:

	Local Government Pension Scheme		
	£000	£000	£000
	+0.1%	0%	-0.1%
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:	+ 1 year	None	- 1 year
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
Total	9,381	100	8,673	100

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)	-	Dundee City Council:	(27)	-
-	79	Interest Receivable	-	83
-	10	Central Support Services	-	8
-	64	Grounds Maintenance	-	71
-	-	Professional Fees	-	103
-	-	Capital Works	-	46
-	58	Miscellaneous	-	-
(32)	211	Total Dundee City Council	(27)	311
		Fife Council:		
-	-	Grounds Maintenance	-	-
-	4	Miscellaneous	-	5
-	4	Total Fife Council	-	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	Liability			Asset	Liability
£000	£000			£000	£000
-	23	Dundee City Council:			
(32)	-	Central Support Services		(3)	-
-	51	Interest Receivable		(27)	-
-	9	Professional Fees		-	39
		Miscellaneous		-	4
(32)	83	Total Dundee City Council		(30)	43
		Fife Council:			
-	4	Miscellaneous		-	-
-	4	Total Fife Council		-	-

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

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

Comparative Movements in 2018/2019:

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

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
Total Capital Investment	389	712
<i>Sources of finance:</i>		
Capital receipts	12	6
Government grants and other contributions	287	649
Capital Funded from Current Revenue	90	57
Total Sources of Finance	389	712

22 INVENTORIES

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

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

24 SHORT-TERM CREDITORS

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

25 GRANT INCOME

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

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

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.

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.

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.

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 FCCA
Senior Audit Manager
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14 September 2020

