



Tay Road Bridge



## **TAY ROAD BRIDGE JOINT BOARD**

### **ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

**AUDITED**



**SEPTEMBER 2023**

**TAY ROAD BRIDGE JOINT BOARD  
ANNUAL ACCOUNTS 2022/2023  
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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 2022 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 2022/2023, the Members and Officials of the Board were:

### Representing Dundee City Council

Councillor Fraser Macpherson (Vice-Chair from 13 June 2022)  
Councillor Lynne Short (Chair until 13 June 2022)  
Councillor Ken Lynn  
Councillor Dorothy McHugh  
Councillor Steven Rome  
Councillor Wendy Scullin



### Representing Angus Council

Councillor Kenny Braes



### Representing Fife Council

Councillor Gary Holt (Chair from 13 June 2022)  
Councillor Jonny Tepp (Vice-Chair until 13 June 2022)  
Councillor Altany Craik  
Councillor Louise Kennedy-Dalby  
Councillor Alan Knox



### 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 Robert Emmott, BSc, CPFA, Dundee City Council.

### Contact Details:

Tay Road Bridge Joint Board website: [www.tayroadbridge.co.uk](http://www.tayroadbridge.co.uk)

Bridge Manager	Engineer	Clerk	Treasurer
Bridge Office	c/o Dundee City Council	c/o Dundee City Council	c/o Dundee City Council
Marine Parade	City Development	Corporate Services	Corporate Services
Dundee	50 North Lindsay Street	21 City Square	50 North Lindsay Street
DD1 3JB	Dundee	Dundee	Dundee
01382 433044	01382 433711	01382 434202	01382 433633
<a href="mailto:alan.hutchison@tayroadbridge.co.uk">alan.hutchison@ tayroadbridge.co.uk</a>	<a href="mailto:gary.brady@dundeecity.gov.uk">gary.brady@ dundeecity.gov.uk</a>	<a href="mailto:roger.mennie@dundeecity.gov.uk">roger.mennie@ dundeecity.gov.uk</a>	<a href="mailto:robert.emmott@dundeecity.gov.uk">robert.emmott@ dundeecity.gov.uk</a>

# **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 2023. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 ("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**

The Tay Road Bridge Joint Board employ 20 staff members, comprising fifteen operational shift workers and five standard Monday to Friday workers. The Tay Road Bridge team all contribute to our aim of providing a safe and reliable journey for the average 26,000 daily vehicle crossings. Our staff undertake bridge inspections and maintenance, fleet management, electrical maintenance, and administrative duties alongside breakdown recovery and debris removal.

The staffing structure was reorganised on 1 July 2021 to create five operational teams to monitor the bridge 24 hours a day, 365 days a year. Four teams of two, comprising one supervisor and one operative, worked on a 12-hour shift rota pattern, with absences and additional day shift cover provided by a "relief" or "reserve" team of six. In July 2022, the shift staff and the Administration and Resources Officer advised that this team make-up was leading to rota insecurity for relief team members. For example, a staff member phoning in sick at short notice relied on a member of the relief team changing from their allocated shift pattern. It was also noted that during and following some bridge incidents on night shifts, staff members felt that peer-to-peer support was missing due to the two person teams.

The Bridge Manager consulted with staff and Trade Unions to address these concerns and thus made a recommendation to further restructure the existing five teams to comprise one supervisor and two operatives. This proposal was approved by the TRBJB in September 2022. A further operative post was introduced to the organisational structure to fulfil the minimum staffing required to achieve the new team make-up. A new member of staff was appointed as an operative in late December 2022. The new "three-member" teams commenced operationally in January 2023 and no further concerns have been raised by staff since this change was made.

The Covid-19 pandemic impacted the ability of the team to undertake training in 2021/22, but this is now getting back to "normal", and we have managed to deliver the following training to help staff maintain confidence and competence in their individual roles:

- Heavy Goods Vehicle (HGV) Driving
- Traffic Management
- Inspection Gantry Training
- Applied Suicide Intervention Skills Training (ASIST)
- First Aid
- Institute of Health & Safety (IOSH) Working Safely
- Mobile Elevated Working Platforms (MEWP)

Further courses around helping staff manage their own and colleagues' wellbeing will be delivered by Dundee City Council Learning and Development team in 2023.

## **MANAGEMENT ARRANGEMENTS WITH SCOTTISH GOVERNMENT**

During this period, the main point of contact with the Scottish Government continued to be the Roads Directorate of Transport Scotland. Virtual meetings have been held on a regular basis between Board Officers and officers from the Roads Directorate of Transport Scotland 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 2022/2023, with more projects due for delivery in 2023/2024 that will add resilience to the bridge's infrastructure.

### New Winter Maintenance Storage Tank

In September 2022, the Board agreed to the purchase and installation of a new 20,000 litre, double skinned, electric powered de-icing liquid storage tank. This replaced a 30-year-old 10,000 litre single skinned tank that was showing signs of corrosion. The new tank removes the risk of accidental discharge of the potassium acetate solution used to de-ice the carriageway. The larger tank allows the Board to take advantage of bulk purchase savings and makes sure that stocks are sufficient in times of prolonged adverse weather.



### New Winter Maintenance De-icing Applicator

In November 2022, the Board purchased a new vehicle mounted de-icing liquid sprayer to replace an aging and generator powered towed bowser that had been used to apply de-icing fluid onto the carriageways for the last 25 years. This has reduced the risk associated with staff towing a trailer and permits a more efficient application of liquid. The Hilltip 500 Spray Striker is electrically operated from within the cab of the vehicle and its inbuilt technology adjusts the application to accommodate the varying speed of the vehicle. This makes sure that the fluid is applied efficiently and provides comfort that the correct amount of de-icing agent has been applied. A GPS plan of where the fluid has been applied is also available through a website app that can be used to check that all areas have been correctly treated.



### New Defibrillator

In 2022 a new defibrillator was installed in the Fife car park. This life saving equipment was supplied by Robertson Construction as a community benefit following on from the fire alarm and electrical distribution projects.



### New Storage Container

In September 2022, the Board agreed to the purchase and installation of a new 12m steel storage container, bought to replace three similar containers that were more than 30 years old and were no longer watertight. This new watertight and electrical lit container is crucial to the bridge's operations and securely stores an array of maintenance related equipment and products.



# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## New Fire Alarm and Electrical Distribution Board

In May 2022, following TRBJB approval in March 2022, a new wireless fire alarm system was installed in the Administration Office, bridge abutments, and Fife Kiosk. This replaced an aging system and provides the TRBJB with a modern and reliable early warning system to protect staff and assets. A new electrical distribution board was also installed in 2022 and this reduces the risk of electrical system failure to protect business continuity and enhance business resilience.

## New Signage on Shared Path and Lift

In March 2023, a collaborative project with Dundee City Council's Communication team, culminated with the installation of new safety messaging on the Tay Road Bridge shared path and within the Lift area. The new signage delivers user friendly clear and bright messages to make it clear to our different user groups that the path and lift is shared and to encourage a "look-out-for-each-other" attitude from everyone who uses the crossing.



## Biodiversity Project

In February and March 2023, work started on a biodiversity project at the Fife landfall area with the tidying up of overgrown banking. This project is being delivered in conjunction with the St. Andrews Botanical Garden and aims to create a diverse habitat for native trees and plants that will be used for education purposes and will hopefully attract school trips and be an area of interest for visitors and locals alike. The trees are due to be planted this spring and summer by local volunteers and community groups organised by the St. Andrews Botanical Garden.



# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## Damage to Shared Path Railings and West Bound Off Ramp Barrier Containment

Unfortunately, in November 2022, two separate vehicle accidents on the bridge resulted in significant damage to the railings of the shared path and the west bound off ramp containment barriers. We are pleased to note that no one was injured but the accidents did result in significant spend to replace the damaged infrastructure, with replacement railings and barriers completed in March 2023. This work is subject to an insurance claim from third parties and claims are ongoing.



## Consulting Engineering Services

WSP Limited 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.

In 2022/2023 WSP Limited continued to work on the following capital projects:

### Gantry Replacement:

The Engineer to the Board and the Bridge Manager have continued to work closely with WSP to deliver new inspection gantries. Investigation and design work has developed and has culminated in the production of a detailed Design Specification and Activity Schedule that will be tendered on the open market in 2023. A future Board report will be brought to the Board for advanced approval of any project award. The project is on target to be delivered in Spring 2025.

### Carriageway Concrete Repairs, Waterproofing, Resurfacing and Replacement Joints:

In September 2022, Tayside Contracts completed the laying of asphalt trial mixes on Carlunie Road, located in the Dunsinane Industrial Estate in Dundee. This involved placing two different asphalt mixes on a road that has a concrete sub-base and which was also in need of resurfacing. This trial proved successful and allowed us to understand how the two mixes would behave during placing and this helped us to determine the most appropriate asphalt surfacing specification for the resurfacing project. In March 2023, the Board gave the authority for the Board officers to negotiate with and appoint Volker Stevin over a two-year period to deliver the project, based on design specifications and drawings prepared by WSP on the Board's behalf. The resurfacing project is still on target to commence in 2023 and 2024.



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

### 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			
1	9	40	2	18	625
<b>Comparator figures for 2021/2022:</b>					
2	9	44	5	22	460
<b>Comparator figures for 2020/2021:</b>					
1	4	33	3	12	434
<b>Comparator figures for 2019/2020:</b>					
2	9	53	1	8	540

The works closures in 2022/2023 related to movement joint and carriageway pothole repairs that required a full closure to facilitate a safe staff and contractor working environment.

### 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).



## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

KPIs for the full calendar years 2015 to 2022 are as follows:

### Safe Services

Years	Accidents Involving Members of the Public
	(Target = Reduction Year on Year)
2015	6
2016	2
2017	9
2018	9
2019	2
2020	0
2021	0
2022	3

Years	Reportable Incidents Involving Employees	Minor Accidents Involving Employees	Time Lost – Employees (Hrs)
	(Target = 0)	(Target = 0)	(Target = 0)
2015	0	2	0
2016	0	2	24
2017	0	2	0
2018	0	3	16
2019	2	1	376
2020	0	1	0
2021	0	3	0
2022	0	3	0

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.

The three accidents on the bridge in 2022 involved vehicles and these were investigated and found to be unrelated to the bridge's infrastructure. I am pleased to confirm that there were no serious injuries resulting from the accidents on the bridge in 2022.

During 2022 there were no lost working hours due to accidents at work. All accidents are investigated and, if appropriate, mitigation measures are put in place to avoid repeat occurrences. During 2019 the time lost by employees due to accidents was 376 hours, with one employee accounting for the majority of this absence. All employees have recovered and are back at work. A separate Health and Safety report is presented to the Board annually.

### 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	1	1	1	21	21	20
2021	1	1	1	36	36	35
2022	0	0	0	23	23	23

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

In the four years between the start of January 2015 and the end of December 2019 the board received on average seven complaints from the public per year regarding our services. These generally related to concerns regarding bridge availability during closures, or concerns related to our sharing of information during such closures. Subsequently, we gained Board agreement to refresh our website to improve information sharing and it appears that this has been instrumental in reducing the number of public complaints in 2020 and 2021 to one per year, with no complaints received in 2022.

The board will continue to pursue every opportunity to reflect upon and improve service delivery. All complaints are responded to in a timely manner and within ten working days.

### Effective and Efficient Services: Staff Absence

Calendar Years	Staff Sickness (Average Days per Annum)
	<b>Target = &lt;5</b>
<b>2015</b>	17.45
<b>2016</b>	5.76
<b>2017</b>	6.98
<b>2018</b>	7.55
<b>2019</b>	29.5
<b>2020</b>	11.8
<b>2021</b>	14.2
<b>2022</b>	13.75

The board lost an average 13.75 days per employee per year in 2022 due to sickness, including illness related to Covid-19. This is a small decrease from 2021, when we recorded an average employee sickness of 14.2 days. The target sickness of 5 days per employee per year has not been achieved but it is hoped that the health and wellbeing presentations being delivered to staff in 2023 will bring the sickness rate down towards our target.

### Effective and Efficient Services: Payment of Invoices

Years	Payment of Invoices within 30 days of Invoice Date
	<b>Target = 100%</b>
<b>2015/16</b>	98.06%
<b>2016/17</b>	98.81%
<b>2017/18</b>	98.86%
<b>2018/19</b>	98.85%
<b>2019/20</b>	99.68%
<b>2020/21</b>	99.28%
<b>2021/22</b>	99.20%
<b>2022/23</b>	97.77%

The board continues to pay invoices timeously and aim to do this within thirty days, with 97.77% of payments made within 30 days of invoice date in 2022/2023. Although this figure is lower than the 99.2% figure achieved in 2021/2022, I am happy to report that 95.26% of payments are actually made within 14 days.

### DATA PROTECTION

There have been no known data breaches in the period from 1 April 2022 to 31 March 2023. The Bridge Manager meets annually with the Data Protection Officer at Dundee City Council to review all the Board's data protection documentation. The last review meeting took place on 27 April 2023.

# TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

## STAFFING ISSUES

### Staff Establishment

Staffing levels and the existing establishment stands as follows:-

	2022/2023	2022/2023	2021/2022	2021/2022
	Current	Establishment	Current	Establishment
Administration	3	3	3	3
Operational	17	17	17	17
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>



## FINANCIAL PERFORMANCE REVIEW

### Revenue Expenditure

The Tay Road Bridge Joint Board, at its meeting on 6 December 2021, approved the 2022/2023 Revenue Budget. The final budget was projected to break-even. The projected General Reserve balance as at 31 March 2023 would be £1,160,591.

The Board received quarterly Revenue Monitoring reports during 2022/2023 in order to keep the members fully apprised as to the projected revenue outturn position.

The following table shows the Revenue Budget approved by the Board on 6 December 2021 against the actual expenditure and income in the format used for monitoring purposes at Board level. The actual outturn for 2022/2023 was a break-even position. The detailed variance analysis is set out on page 12. This gives a total General Reserve balance of £1,160,591 as at 31 March 2023 which is unchanged from the corresponding figure at 31 March 2022.

### Future Financial Issues

The grant application letter for 2023/2024 from the Board to Transport Scotland requested a capital grant of £7,109,000 and a revenue grant of £1,918,680. The amounts in the 2023/2024 grant offer letters from Transport Scotland were a capital grant of £6,530,000 and a revenue grant of £1,612,000. The reduced capital grant can be mitigated by reprofiling the capital projects to be undertaken during 2023/2024. The reduced revenue grant will require general reserves to be used to fund the deficit to ensure that a continued safe and reliable service to bridge users is maintained. Given the current inflationary pressures this will result in the Board using £306,680 of General Reserves to fund the budgeted expenditure resulting in a projected General Reserve Balance of £853,911 as at 31st March 2024. The Board continues to liaise with Transport Scotland to explore further actions to alleviate these issues.

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

	Approved Budget £000	Actual Expend/ (Income) £000	Over / (Under) Spend £000
Administration	535	471	(64)
Operations	896	896	-
Plant and Equipment Operating Costs	241	290	49
Bridge Maintenance	99	127	28
<b>Gross Expenditure</b>	<b>1,771</b>	<b>1,784</b>	<b>13</b>
Scottish Government Resource Grant	(1,759)	(1,759)	-
Interest on Revenue Balances	(1)	(12)	(11)
Kiosk Rent	(10)	(10)	-
Miscellaneous Income	(1)	(3)	(2)
<b>Gross Income</b>	<b>(1,771)</b>	<b>(1,784)</b>	<b>(13)</b>
<b>Total Net Deficit / (Surplus) met from General Reserve Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Reserve Balance brought forward</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>-</b>
<b>General Reserve Balance carried forward</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>-</b>

## TAY ROAD BRIDGE JOINT BOARD MANAGEMENT COMMENTARY

The following two charts show how the total 2022/2023 expenditure of the Board in the Comprehensive Income and Expenditure Statement on page 32 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: 2022/2023 Net Cost of Services by Nature:

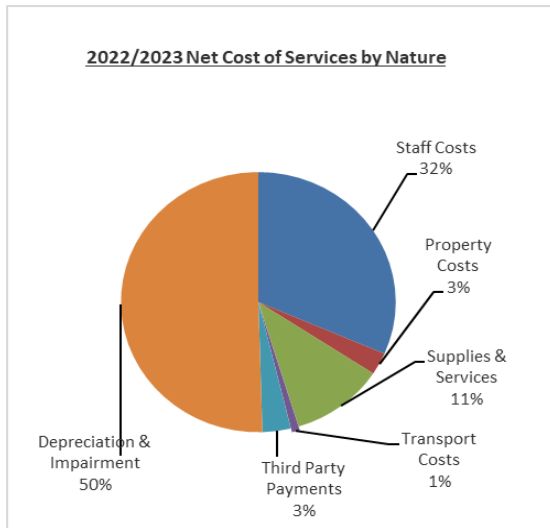
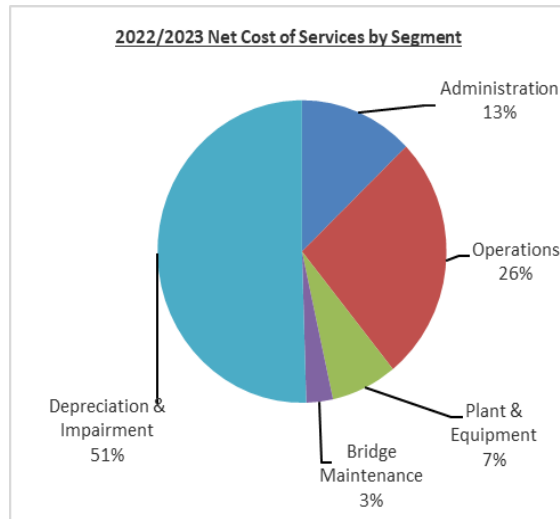


Figure 2: 2022/2023 Net Cost of Services by Segment:



### *Administration (Underspend £64,000)*

This reflects lower than anticipated expenditure in relation to salary costs due to vacancies and restructuring offset by increased energy costs.

### *Plant & Equipment (Overspend £49,000)*

This reflects higher than anticipated expenditure in relation to increased expenditure on maintenance contracts for the gantries, Variable message signs and cathodic protection equipment. There was also increased energy costs and additional hire of the safety boat after the end of the normal contract period to provide cover for the principal inspection the bridge paintwork.

### *Bridge Maintenance (Overspend £28,000)*

This reflects higher than anticipated expenditure due to increased energy costs offset by decreased expenditure on cleaning costs at the toilets at Fife car park following the end of Covid-level cleaning requirements.

### *Interest on Revenue Balances (Underspend £11,000)*

This reflects higher than anticipated income from interest on revenue balances due to rising interest rates.

### *Miscellaneous Income (Underspend £2,000)*

This reflects higher than anticipated income due to receiving an insurance receipt for damage to the wind anemometer by a contractor in 2021/2022.



**TAY ROAD BRIDGE JOINT BOARD  
MANAGEMENT COMMENTARY**

**Capital Expenditure and Financing**

The Board, at its meeting on 6 December 2021, approved the 2022/2023 Capital Plan of £1,310,000. This would be funded from Capital Grants.

The Board received quarterly Capital Monitoring reports during 2022/2023 in order to keep the members fully apprised as to the projected capital outturn position. Actual gross capital expenditure for the year was £971,000. 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 budget adjustments and slippage across a range of projects:-

<b>Capital Expenditure:</b>	<b>Budget £000</b>	<b>Actual £000</b>	<b>Variance £000</b>
Carriageway Resurfacing	100	184	84
Cathodic Protection Hardware	200	18	(182)
Advanced Warning Signs	400	193	(207)
Replacement of Expansion Joints	25	15	(10)
New Gantries	100	79	(21)
Fife Landfall Improvements	150	17	(133)
New Distribution Board	100	70	(30)
Winter Maintenance Equipment	75	100	25
Other Projects	160	295	135
	<b>1,310</b>	<b>971</b>	<b>(339)</b>

**Capital expenditure was funded as follows:**

	<b>£000</b>	<b>£000</b>	<b>£000</b>
Capital Grant from the Scottish Government	1,310	971	(339)
	<b>1,310</b>	<b>971</b>	<b>(339)</b>

**Control of Revenue and Capital Expenditure**

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

**Pension Liability (IAS 19)**

Under IAS 19 (Employee Benefits) the Board is required to include figures in its Statement of Accounts relating to the assets, liabilities, income and expenditure of the pension schemes for its employees. It has been estimated that the Board had a net pension asset of £1,175,000 as at 31 March 2023. The estimated net pension liability at 31 March 2022 was £27,000. The overall increase was due to an decrease in the value of liabilities arising from changes in financial 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 is 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.

**TAY ROAD BRIDGE JOINT BOARD  
MANAGEMENT COMMENTARY**

- 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 2022/2023. However, significant risks surrounding future uncertainties continue to affect plans for the Board to effectively manage budgetary pressures.

**Acknowledgements**

During the 2022/2023 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 2022/2023 Annual Accounts.

*Robert Emmott*

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**Robert Emmott, BSc, CPFA**

**Treasurer  
Tay Road Bridge  
Joint Board  
11 September 2023**

*Alan Hutchison*

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

**Bridge Manager  
Tay Road Bridge  
Joint Board  
11 September 2023**

*Gary Holt*

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**Councillor Gary Holt**

**Chair  
Tay Road Bridge  
Joint Board  
11 September 2023**

# 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.

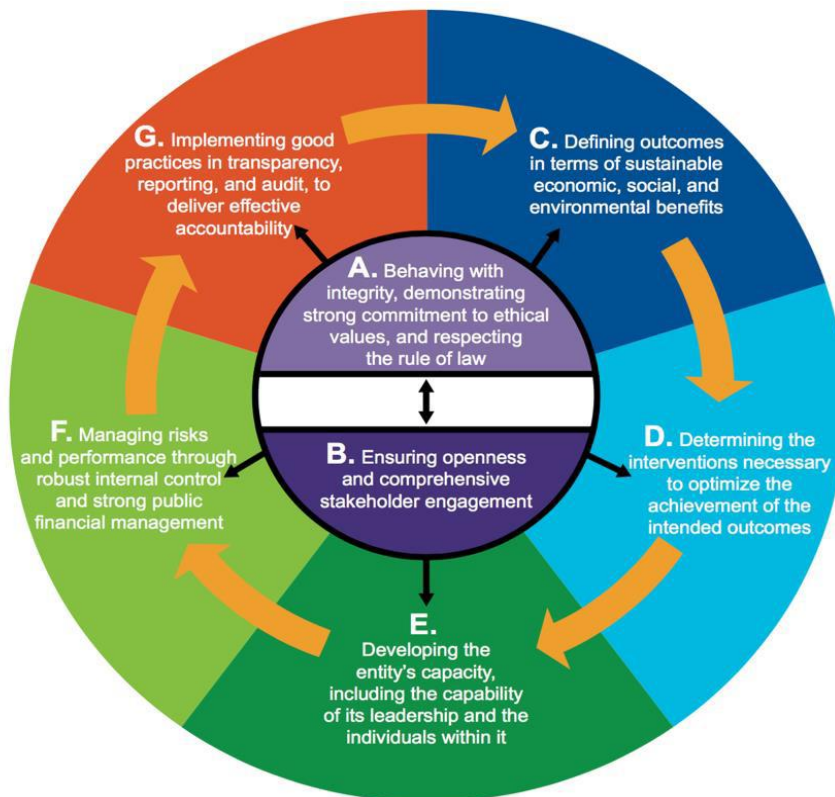
In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Joint Board's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

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.

## **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;
- 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)*.

The new CIPFA's *Financial Management Code (2019)* (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. For the first time the FM Code sets out the standards of financial management for local authorities. Local government finance in the UK is governed by primary legislation, regulation and professional standards as supported by statutory provision. The general financial management of a local authority, however, has not until now been supported by a professional code. The FM Code has been introduced because the exceptional financial circumstances faced by local authorities have revealed concerns about fundamental weaknesses in financial management, particularly in relation to organisations that may be unable to maintain services in the future. The board complies with the principles and standards set out in CIPFA's FM Code (2019).

### **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 75-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; Partnerships; and Information Governance. 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 2022/2023 and in previous years since the internal auditors original appointment in 2010.

# TAY ROAD BRIDGE JOINT BOARD ANNUAL GOVERNANCE STATEMENT

## 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 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. Business Continuity Planning / Incident Response meetings were held between key personnel and guidance issued to all staff on a regular basis. They actions detailed in the Business Continuity Plan were implemented and were updated continuously to reflect changing circumstances. As the impact of the pandemic reduced the board continued to take steps to ensure adherence to Scottish Government advice in relation to Covid-19 restrictions / guidelines and when safe and practicable to do so , re-introduced normal working practices.

The Annual Governance Statement assesses governance in place during 2022/2023 so the majority of the year was not affected 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 affected the Board in 2022/2023, for example changes to decision making arrangements whereby emergency decision-making and governance procedures were implemented for Board business from 23 March 2020 until the resumption of Board meetings in September 2020, albeit virtually. Virtual Board meetings have continued throughout 2022/2023.

## Continuous Improvement Agenda

The Joint Board's progress against the Continuous Improvement Agenda items for 2022/2023 is detailed in Table 1. Several items are still in progress and have been carried forward to be actioned in 2023/2024. 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 2023/2024. 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 2023/2024 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.



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**Councillor Gary Holt**  
**Chair**  
**Tay Road Bridge Joint Board**  
**11 September 2023**



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**Alan Hutchison, BEng (Hons), MSc, CEng,**  
**FICE, MCIHT. Bridge Manager**  
**Tay Road Bridge Joint Board**  
**11 September 2023**



## ANNUAL GOVERNANCE STATEMENT

### TABLE 1 - IMPROVEMENT AGENDA FOR 2022/2023

Original Improvement Agenda						Progress Update	
	Improvement	Source	Source Date	Respons-ible Officer	Target Comple-tion Date	Actual Comple-tion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
1	Update Bridge Byelaws.	Local Code of Corporate Governance 2019/2020 (Principle A: Integrity & Ethics) & Internal Audit Report (2019/2) Compliance with Legislation.	Carried forward from 2019/2020. In progress.	Clerk / Bridge Manager	31/03/2023	06/04/2023	Byelaws 2022 were approved by Scottish Ministers and came into effect on 6 April 2023. The new <a href="#">byelaws</a> are available on the TRBJB website and were posted at the Dundee access to the bridge on the passenger lift foyer wall in April 2023.
2	Revise Whistle-Blowing Policy.	Whistle-Blowing Policy (Report 12-2016 at June 2016 Board meeting).	Carried forward from 2019/2020. In progress.	Bridge Manager	31/12/2022	18/11/2022	New <a href="#">Whistle-blowing policy</a> and employee guidance notes issued to staff on 18 November 2022 and awareness poster installed in Administration Office foyer.
3	Ensure that a formal programme of reporting of data protection issues to the Joint Board.	Internal Audit Report 2020/05 Data Protection.	Carried forward from 2020/2021. In progress.	Clerk / Bridge Manager	31/03/2023	19/06/2023	The Board officers have agreed that Data Protection reporting will form part of the Management Commentary in the annual accounts presented to the June Board meeting, commencing 2023.
4	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.	Annual Governance Self-Assessment Checklist.	Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2022	16/11/2022	Formal training was not available through DCC but the Bridge Manager has provided guidance and knowledge through one-to-one sessions of best practice and the two employees have joined the Bridge Manager in a recruitment exercise in November 2022. The Bridge Manager is comfortable that this action can now be considered complete.

5	Review the Board's response to the Covid 19 crisis.		Carried forward from 2020/2021. In progress.	Bridge Manager	31/12/2022	31/12/2022	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. 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 were implemented were updated continuously to reflect changing circumstances. As the impact of the pandemic reduced the board continued to take steps to ensure adherence to Scottish Government advice in relation to Covid-19 restrictions / guidelines and, when safe and practicable to do so, re-introduced normal working practices.
6	Revise Communications Policy.	Local Code of Corporate Governance 2020/2021 (Principle B: Openness).	Carried forward from 2021/2022. In progress.	Bridge Manager	31/12/2022	30/06/2022	New <a href="#">Communication Strategy</a> completed and issued to staff.
7	Establish a formal business case process for all major capital projects.	Internal Audit Report 2021/03 Capital Projects.	Carried forward from 2021/2022. In progress.	Bridge Manager	31/03/2023	19/06/2023	Additional information on project stages, timelines, progress, spend profile, and implications to Bridge users will be included in Engineering Update Board reports on the current major projects, Carriageway Resurfacing and Expansion Joint Replacement, and Gantry Replacement and for future major projects.
8	Review all Board Human Resource policies to provide comfort that the Board's policies are aligned with DCC and up-to-date with legislation.	Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.	New for 2022/2023.	Bridge Manager	31/03/2023		The Bridge Manager has reviewed all the latest DCC HR policies/procedures and will share with the trade unions in 2023 before implementing to the TRBJB staff. *

9	Improve communication of Risk Assessments & re-introduce regular Health and Safety meetings.	Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.	New for 2022/2023.	Bridge Manager	31/03/2023	31/10/2023	Health and Safety meetings recommenced. The Bridge Manager continually assesses better ways of communicating Risk Assessments Method Statements (RAMS) to staff.
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\* Carried forward items have been included in Table 2 with new target completion dates.

## ANNUAL GOVERNANCE STATEMENT

**TABLE 2 - IMPROVEMENT AGENDA FOR 2023/2024**

	<b>Improvement</b>	<b>Source</b>	<b>Source Date</b>	<b>Responsible Officer</b>	<b>Target Completion Date</b>	<b>Details</b>
1	Review all Board Human Resource policies to provide comfort that the Board's policies are aligned with DCC and up-to-date with legislation.	Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.	Carried forward from 2022/2023. In progress.	Bridge Manager	31/12/2023	Carried forward from 2022/2023. In progress.
2	Revise Fraud Guidelines.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics) and Annual Governance Statement self-assessment checklist, section 3: Fraud Prevention and Detection.	New for 2023/2024.	Treasurer	31/03/2024	New for 2023/2024.
3	Induction training for new board members.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics).	New for 2023/2024.	Bridge Manager / Treasurer	31/03/2024	New for 2023/2024.
4	Equality and Diversity and Human Rights training to be rolled-out to all staff.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics).	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.
5	Data Protection training to be rolled-out to all staff.	Local Code of Corporate Governance 2022/2023 (Principle A: Integrity and Ethics and Principle F: Managing Risks and Performance).	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.

6	Improve communication of Risk Assessments Method Statements (RAMS) to staff.	Annual Governance Statement self-assessment checklist, section 2: Internal Control Environment.	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.
7	Meetings with service providers to assess the quality of services provided under Service Level Agreements (SLAs).	Local Code of Corporate Governance 2022/2023 (Principle E: Developing the Entity's Capacity) and Annual Governance Statement self-assessment checklist, section 7: Partnerships.	New for 2023/2024.	Bridge Manager	31/03/2024	New for 2023/2024.



# 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, the Remuneration Bands and Exit Packages 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) Amendment Regulations 2021 (SSI No. 2021/18). 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 reimbursement and do not reflect the full value of the remuneration that may be paid to the councillor. The reimbursement 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 2022/2023, with the employee falling into category (i) above. The remuneration details for the Senior Employees of the Board are set out in Table 2.

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

Remuneration Bands	No of	No of
	Employees	Employees
	2022/2023	2021/2022
£60,000 - £64,999	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

## TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT

### EXIT PACKAGES

There were no exit packages agreed during 2022/2023 (2021/2022: None).

### TRADE UNION (Facility Time Publication Requirements) REGULATIONS 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on the 1st April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The board does not have any union representatives that are given paid time off to carry out union activity (2021/2022: 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 2022/2023 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 2022/2023	Whole Time Pay	Contribution Rate 2021/2022
On earnings up to and including £23,000	5.50%	up to and including £22,300	5.50%
On earnings above £23,001 and up to £28,100	7.25%	above £22,301 and up to £27,300	7.25%
On earnings above £28,101 and up to £38,600	8.50%	above £27,301 and up to £37,400	8.50%
On earnings above £38,601 and up to £51,400	9.50%	above £37,401 and up to £49,900	9.50%
On earnings above £51,401	12%	above £49,901	12%

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

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of average pensionable salary and years of pensionable service. Prior to 2015 the accrual rate guaranteed a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80<sup>th</sup> and a lump sum based on 3/80<sup>th</sup> of final pensionable salary and years of pensionable service.

### Senior Employees

The accrued pension benefits for Senior Employees are set out in Table 3, together with the pension contributions made by the Board.

### Assumptions and Contextual Information

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

## **TAY ROAD BRIDGE JOINT BOARD ANNUAL REMUNERATION REPORT**

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 2022/2023, the scheme member contribution rate for Senior Employees of the Board was 8.0% of pensionable pay (2021/2022: 8.0%). In 2022/2023, the employer contribution rate was 17% of pensionable pay for Senior Employees (2021/2022: 17%).



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**Councillor Gary Holt  
Chair  
Tay Road Bridge Joint Board  
11 September 2023**



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**Alan Hutchison, BEng (Hons), MSc, CEng,  
FICE, MCIHT. Bridge Manager  
Tay Road Bridge Joint Board  
11 September 2023**

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

<b>Councillor Name</b>	<b>Responsibility</b>	<b>Total Reimbursement 2022/2023</b>	<b>Total Reimbursement 2021/2022</b>
		<b>£</b>	<b>£</b>
Gary Holt	Chair, Tay Road Bridge Joint Board (from 13 June 2022)	3,756	-
Fraser Macpherson	Vice-Chair, Tay Road Bridge Joint Board (from 13 June 2022)	2,755	-
Lynne Short	Chair, Tay Road Bridge Joint Board (up to 13 June 2022)	486	4,654
Jonny Tepp	Vice-Chair, Tay Road Bridge Joint Board (up to 13 June 2022)	1,127	3,482
<b>Total</b>		<b>8,124</b>	<b>8,136</b>

**TABLE 2 – REMUNERATION OF SENIOR EMPLOYEES**

<b>Employee Name</b>	<b>Post Title</b>	<b>Salary, Fees &amp; Allowances</b>	<b>Total Remuneration 2022/2023</b>	<b>Total Remuneration 2021/2022</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Alan Hutchison	Bridge Manager	62,933	62,933	60,084
<b>Total</b>		<b>62,933</b>	<b>62,933</b>	<b>60,084</b>

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

<b>Employee Name</b>	<b>Post Title</b>	<b>Pension as at 31 March 2023</b>	<b>Pension Difference from 31 March 2022</b>	<b>Lump Sum as at 31 March 2023</b>	<b>Lump Sum as at 31 March 2023</b>	<b>Pension Contribution 2022/2023</b>	<b>Pension Contribution 2021/2022</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Alan Hutchison	Bridge Manager	19	1	10	10	11	10
<b>Total</b>		<b>19</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>10</b>

# **TAY ROAD BRIDGE JOINT BOARD**

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

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

The Board is required to:

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

I confirm that these Annual Accounts were approved for signature by the Joint Board at its meeting on 11 September 2023.

Signed on behalf of Tay Road Bridge Joint Board



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**Councillor Gary Holt**  
**Chair**  
**Tay Road Bridge Joint Board**  
**11 September 2023**

### **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 2023.



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**Robert Emmott, BSc, CPFA**  
**Treasurer**  
**Tay Road Bridge Joint Board**  
**11 September 2023**

## 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.

<b>2021/2022</b>			<b>2022/2023</b>		
Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000	Net Expenditure Chargeable to General Fund £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the CIES £000
<b>Expenditure</b>					
464	22	486	471	32	503
503	107	610	896	140	1,036
223	-	223	290	-	290
402	63	465	127	(10)	117
-	2,109	2,109	-	1,983	1,983
<b>1,592</b>	<b>2,301</b>	<b>3,893</b>	<b>1,784</b>	<b>2,145</b>	<b>3,929</b>
			<b>Net Cost Of Services</b>		
(1,592)	(537)	(2,129)	(1,784)	(968)	(2,752)
			<b>Other Operating Income &amp; Expenditure</b>		
<b>-</b>	<b>1,764</b>	<b>1,764</b>	<b>-</b>	<b>1,177</b>	<b>1,177</b>
			<b>(Surplus) or Deficit</b>		
1,161			1,161		
			<b>Opening General Reserve Balance</b>		
<b>-</b>			<b>-</b>		
			<b>Less / Add Surplus or (Deficit) on General Reserve Balance in year</b>		
<b>1,161</b>			<b>1,161</b>		
			<b>Closing General Reserve Balance at 31 March</b>		



## TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

### ADJUSTMENTS BETWEEN FUNDING AND ACCOUNTING BASIS

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

#### 2022/2023

<b>Adjustments from General Reserve to arrive at Comprehensive Income &amp; Expenditure Statement Amounts</b>	<b>Adjustments between Funding &amp; Accounting Basis</b>				
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the</b>			<b>Total Adjustments</b>
		<b>Pensions Adjustment</b>	<b>Other Differences</b>	<b>Total Adjustments</b>	
		<b>(1)</b>	<b>(2)</b>		
<i>Explanatory Notes:</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Administration	-	32	-	32	
Operations	-	140	-	140	
Plant & Equipment Operating Costs	-	-	-	-	
Bridge Maintenance	-	-	(10)	(10)	
Corporate Costs	1,983	-	-	1,983	
<b>Net Cost of Services</b>	<b>1,983</b>	<b>172</b>	<b>(10)</b>	<b>2,145</b>	
<b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>	<b>(978)</b>	<b>2</b>	<b>8</b>	<b>(968)</b>	
<b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>1,005</b>	<b>174</b>	<b>(2)</b>	<b>1,177</b>	

#### 2021/2022

<b>Adjustments from General Reserve to arrive at Comprehensive Income &amp; Expenditure Statement Amounts</b>	<b>Adjustments between Funding &amp; Accounting Basis</b>				
	<b>Adjustments for Capital Purposes</b>	<b>Net Change for the</b>			<b>Total Adjustments</b>
		<b>Pensions Adjustment</b>	<b>Other Differences</b>	<b>Total Adjustments</b>	
		<b>(1)</b>	<b>(2)</b>		
<i>Explanatory Notes:</i>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Administration	-	22	-	22	
Operations	-	107	-	107	
Plant & Equipment Operating Costs	-	-	-	-	
Bridge Maintenance	-	63	-	63	
Corporate Costs	2,109	-	-	2,109	
<b>Net Cost of Services</b>	<b>2,109</b>	<b>192</b>	<b>-</b>	<b>2,301</b>	
<b>Other Operating Income &amp; Expenditure from the Expenditure &amp; Funding Analysis</b>	<b>(550)</b>	<b>15</b>	<b>(2)</b>	<b>(537)</b>	
<b>Difference between General Reserve Surplus or Deficit and CIES Surplus or Deficit on the Provision of Services</b>	<b>1,559</b>	<b>207</b>	<b>(2)</b>	<b>1,764</b>	

## TAY ROAD BRIDGE JOINT BOARD EXPENDITURE AND FUNDING ANALYSIS

### Explanatory Notes:

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

### EXPENDITURE AND INCOME ANALYSED BY NATURE

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

	<b>2021/2022</b>	<b>2022/2023</b>
	<b>Net</b>	<b>Net</b>
<b>Expenditure:</b>	<b>Expenditure /</b>	<b>Expenditure /</b>
	<b>(Income)</b>	<b>(Income)</b>
	<b>£000</b>	<b>£000</b>
Staff Costs	1,177	1,237
Property Costs	78	108
Supplies & Services	370	433
Transport Costs	33	37
Third Party Payments	126	131
Corporate Costs	2,109	1,983
<b>Total Expenditure</b>	<b>3,893</b>	<b>3,929</b>
<b>Income:</b>		
Fees, Charges & Other Service Income	(6)	(3)
Interest & Investment Income	8	(19)
Government Grants & Contributions	(2,131)	(2,730)
<b>Total Income</b>	<b>(2,129)</b>	<b>(2,752)</b>
<b>(Surplus) or Deficit on Provision of Services</b>	<b>1,764</b>	<b>1,177</b>

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

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

2021/2022			2022/2023			
Gross Expenditure £000	Gross Income £000	Net Expenditure/ (Income) £000	Budgeted Net Expenditure (unaudited) £000	Gross Expenditure £000	Gross Income £000	Net Expenditure/ (Income) £000
						<b>Expenditure</b>
486	-	486	555	503	-	503
610	-	610	1,038	1,036	-	1,036
223	-	223	241	290	-	290
465	-	465	96	117	-	117
2,109	-	2,109	1,983	1,983	-	1,983
<b>3,893</b>	<b>-</b>	<b>3,893</b>	<b>3,913</b>	<b>3,929</b>	<b>-</b>	<b>3,929</b>
						<b>Net Cost Of Services</b>
-	(6)	(6)	(1)	-	(3)	(3)
19	(11)	8	(12)	3	(22)	(19)
-	(2,131)	(2,131)	(2,730)	-	(2,730)	(2,730)
<b>3,912</b>	<b>(2,148)</b>	<b>1,764</b>	<b>1,170</b>	<b>3,932</b>	<b>(2,755)</b>	<b>1,177</b>
						<b>Net Deficit on Provision of Services</b>
-	(1)	(1)	109	192	(83)	109
17	(825)	(808)	(1,376)	2,976	(4,352)	(1,376)
<b>17</b>	<b>(826)</b>	<b>(809)</b>	<b>(1,267)</b>	<b>3,168</b>	<b>(4,435)</b>	<b>(1,267)</b>
						<b>Other Comprehensive Income and Expenditure</b>
<b>3,929</b>	<b>(2,974)</b>	<b>955</b>	<b>(97)</b>	<b>7,100</b>	<b>(7,190)</b>	<b>(90)</b>
						<b>Total Comprehensive Income and Expenditure</b>

## TAY ROAD BRIDGE JOINT BOARD MOVEMENT IN RESERVES STATEMENT

The Movement on Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Board, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves.' The Statement shows how the movements in year of the Board's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices. The Net Increase / (Decrease) line shows the statutory General Reserve Balance movements in the year following those adjustments.

	<b>Revenue Reserves</b>			
	General Fund Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Board Reserves £000
<b>Balance at 31 March 2021</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>(64,217)</b>	<b>(65,378)</b>
<b><u>Movement in Reserves during 2021/2022</u></b>				
<b>Total Comprehensive Expenditure and Income</b>	<b>1,764</b>	<b>1,764</b>	<b>(809)</b>	<b>955</b>
Adjustments between accounting basis & funding basis under regulations (note 5)	(1,764)	(1,764)	1,764	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>-</b>	<b>955</b>	<b>955</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-
<b>(Increase) / Decrease in 2021/2022</b>	<b>-</b>	<b>-</b>	<b>955</b>	<b>955</b>
<b>Balance at 31 March 2022 carried forward</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>(63,262)</b>	<b>(64,423)</b>
<b>Total Comprehensive Expenditure and Income</b>	<b>1,177</b>	<b>1,177</b>	<b>(1,267)</b>	<b>(90)</b>
Adjustments between accounting basis & funding basis under regulations (note 5)	(1,177)	(1,177)	1,177	-
<b>Net (Increase) / Decrease before Transfers to Earmarked Reserves</b>	<b>-</b>	<b>-</b>	<b>(90)</b>	<b>(90)</b>
Transfers to / (from) Earmarked Reserves	-	-	-	-
<b>(Increase) / Decrease in Year</b>	<b>-</b>	<b>-</b>	<b>(90)</b>	<b>(90)</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>(63,352)</b>	<b>(64,513)</b>

## TAY ROAD BRIDGE JOINT BOARD BALANCE SHEET

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

31 March 2022		Note	31 March 2023
£000			£000
63,295	Property, Plant & Equipment	20	62,174
68	Investment Property	19	75
-	Net Pension Assets	15	1,175
<b>63,363</b>	<b>Total Long Term Assets</b>		<b>63,424</b>
45	Inventories	22	44
319	Short Term Debtors	23	751
815	Cash and Cash Equivalents	13	717
<b>1,179</b>	<b>Total Current Assets</b>		<b>1,512</b>
(92)	Short Term Creditors	24	(423)
<b>(92)</b>	<b>Total Current Liabilities</b>		<b>(423)</b>
(27)	Net Pension Liabilities	15	-
<b>(27)</b>	<b>Total Long Term Liabilities</b>		<b>-</b>
<b>64,423</b>	<b>Net Assets</b>		<b>64,513</b>
1,161	Usable reserves	9	1,161
63,262	Unusable Reserves	10	63,352
<b>64,423</b>	<b>Total Reserves</b>		<b>64,513</b>

*Robert Emmott*

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**Robert Emmott, BSc, CPFA**  
Treasurer  
Tay Road Bridge Joint Board

The unaudited accounts were issued on 19 June 2023 and the audited accounts were authorised for issue on 11 September 2023.

## TAY ROAD BRIDGE JOINT BOARD CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Board during the reporting period. The statement shows how the Board generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Board are funded by way of grant income or from the recipients of services provided by the Board. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Board's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Board.

<b>2021/2022</b>		<b>2022/2023</b>
<b>£000</b>		<b>£000</b>
1,764	Net deficit on the provision of services	1,177
(2,283)	Adjust net surplus or deficit on the provision of services for non cash movements	(2,027)
619	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	680
<b>100</b>	<b>Net cash flows from Operating Activities</b>	<b>(170)</b>
(74)	Investing Activities (note 11)	269
(6)	Financing Activities (note 12)	(1)
<b>20</b>	<b>Net (Increase) in cash and cash equivalents</b>	<b>98</b>
835	Cash and cash equivalents at the beginning of the reporting period	815
<b>815</b>	<b>Cash and cash equivalents at the end of the reporting period (note 13)</b>	<b>717</b>

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

## **1 ACCOUNTING POLICIES**

### **A General Principles**

The Annual Accounts summarise the Board's transactions for the 2022/2023 financial year and its position at the year-end of 31 March 2023. 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 2022/2023 and the Service Reporting Code of Practice 2022/2023, and International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets.

### **B Accruals of Income and Expenditure**

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including those rendered by the Board's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **C Cash and Cash Equivalents**

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

### **D Changes in Accounting Policies and Estimates and Prior Period Errors**

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

### **E Charges to Revenue for Non-Current Assets**

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

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



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

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

## **F Employee Benefits**

### Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees, are recognised as an expense in the year in which employees render service to the Board. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Board to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to the Corporate Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Board can no longer withdraw the offer of those benefits or when the Board recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Reserve balance to be charged with the amount payable by the Board to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### Post Employment Benefits

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

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

- The assets / 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. The actuaries have incorporated an impact of asset ceiling to comply with IFRIC 14. The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. After discussions with the Fund, we have taken the approach to restrict the surplus with an asset ceiling. The asset ceiling is calculated as the difference between the accounting surplus attributable to the Employer and the surplus limit. The surplus limit is calculated as the expected future cost of accrual, calculated in line with the discount rate, minus the present value of the certified contributions payable by the Employer.
- 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.

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

The change in the net pensions asset / 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-incident 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. If a negative balance arises on the Pensions Reserve it thereby measures the beneficial impact on the General Reserve of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

*Discretionary Benefits*

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

**G Events After the Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

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

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

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

## **H Government Grants and Contributions**

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

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

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

## **I Heritage Assets**

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

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

### Heritage Assets Not Recognised in the Balance Sheet

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

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

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First-in-First-out (FIFO) costing formula. Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

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

**K Investment Properties**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale. Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are re-valued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Reserve Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the Balance. The gains and losses are therefore reversed out of the General Reserve Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

**L Leases**

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

The Board currently has no assets acquired under finance leases or leased to third parties on finance lease. The Board currently has no assets acquired under operating leases. Accounting policies for operating leases where the Board is a lessor are set out below.

The Board as Lessor

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

**M Property, Plant and Equipment**

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price; and
- 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.

**TAY ROAD BRIDGE JOINT BOARD**  
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The Board does not capitalise borrowing costs incurred whilst assets are under construction.

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

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

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

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

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

#### Impairment

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

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

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

#### Assets Held for Sale / Disposals

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

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

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

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant and equipment – straight line allocation over between 3 and 30 years.
- infrastructure – straight-line allocation up to 120 years.

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

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

### **N Reserves**

Reserves are created by transferring amounts out of the General Reserve in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate expenditure line in that year to count against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against grant receipts for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and these reserves do not represent usable resources for the Board. Further information on the Board's reserves is contained in notes 9 and 10.

### **O VAT**

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

### **P FAIR VALUE MEASUREMENT**

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

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

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

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

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

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

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

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

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

The deferral of implementation of IFRS 16 Leases to the 2024/2025 Code of Practice has meant that the 2023/2024 Code has not yet completed its full due process. There are no other relevant accounting standards that have been issued but that are not yet adopted in the 2023/2024 Code of Practice.

### **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 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:



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

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Actual Results Differ from Assumptions</b>
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Board will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for property, plant and equipment would increase by £32,479 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 £160,000. However, the assumptions interact in complex ways. During 2022/2023, the Board's actuaries advised that the net pensions assets had decreased by £1,641,000 as a result of an increase in the return on assets less interest and net pension liabilities had decreased by £4,352,000 attributable to updating of the assumptions. the actuaries have incorporated £1,335,000 as an impact of asset ceiling to comply with IFRIC 14.

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

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

**5 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

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

	<u>Revenue</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u>	<u>Capital</u> <u>Reserve</u> <u>Capital</u> <u>Grants</u>	<u>Movement</u> <u>in</u> <u>Unusable</u> <u>Reserves</u>	<u>Total</u> <u>2022/2023</u>
	<u>General</u> <u>Fund</u> <u>Balance</u> <u>£000</u>	<u>Capital</u> <u>Receipts</u> <u>Reserve</u> <u>£000</u>	<u>Unapplied</u> <u>Account</u> <u>£000</u>	<u>£000</u>	<u>£000</u>
<b>2022/2023</b>					
<b>Adjustments involving the Capital Adjustment Account:</b>					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(2,165)	-	-	2,165	-
Revaluation Gains on Property, Plant & Equipment	112	-	-	(112)	-
Movements in the fair value of Investment Properties	6	-	-	(6)	-
Capital grants and contributions that have been applied to capital financing	971	-	-	(971)	-
Amounts of non-current assets written-off on disposal or sale as part of the gain/loss on disposal to the CIES	71	-	-	(71)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	-	-	-	-	-
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	-	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	-	-	-
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(326)	-	-	326	-
Employer's pensions contributions and direct payments to pensioners payable in the year	152	-	-	(152)	-
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account:</b>					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	-	-	(2)	-
<b>Total Adjustments</b>	<b>(1,177)</b>	<b>-</b>	<b>-</b>	<b>1,177</b>	<b>-</b>

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

<b>2021/2022</b>	<u>Revenue Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Movement in Unusable Reserves</u>	<u>Total 2021/2022</u>
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	£000	£000
<b>Adjustments involving the Capital Adjustment Account:</b>					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Charges for depreciation and impairment of non current assets	(2,110)	-	-	2,110	-
Revaluation Gains on Property, Plant & Equipment	1	-	-	(1)	-
Movements in the fair value of Investment Properties	-	-	-	-	-
Capital grants and contributions that have been applied to capital financing	550	-	-	(550)	-
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>					
Capital expenditure charged against the General Reserve	-	-	-	-	-
<b>Adjustments involving the Capital Receipts Reserve:</b>					
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	-	-	-
<b>Adjustments involving the Capital Grants Unapplied Account:</b>					
Reversal of unapplied capital grant and contributions credited to the Comprehensive Income and Expenditure Statement	-	-	-	-	-
<b>Adjustments involving the Pensions Reserve:</b>					
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement (see note 15)	(348)	-	-	348	-
Employer's pensions contributions and direct payments to pensioners payable in the year	141	-	-	(141)	-
<b>Adjustment involving the Accumulating Compensated Absences Adjustment Account</b>					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	-	-	(2)	-
<b>Total Adjustments</b>	<b>(1,764)</b>	<b>-</b>	<b>-</b>	<b>1,764</b>	<b>-</b>

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

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

<b>2021/2022</b>		<b>2022/2023</b>
<b>£000</b>		<b>£000</b>
(6)	Miscellaneous Income	(3)
-	(Gains) / Losses on the disposal of non current assets	-
<b>(6)</b>	<b>Total</b>	<b>(3)</b>

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

<b>2021/2022</b>		<b>2022/2023</b>
<b>£000</b>		<b>£000</b>
15	Net interest on the defined benefit liability (asset)	2
(1)	Interest receivable and similar income	(12)
0	Changes in the fair value of investment properties	(7)
(6)	Net Income & Expenditure on investment properties	(2)
<b>8</b>	<b>Total</b>	<b>(19)</b>

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

<b>2021/2022</b>		<b>2022/2023</b>
<b>£000</b>		<b>£000</b>
(1,581)	Non-ring fenced government grants	(1,759)
(550)	Capital grants and contributions	(971)
-	Repayment of Capital grants and contributions	-
<b>(2,131)</b>	<b>Total</b>	<b>(2,730)</b>

**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**

<b>31 March 2022</b>		<b>31 March 2023</b>
<b>£000</b>		<b>£000</b>
749	Revaluation Reserve	640
62,547	Capital Adjustment Account	61,542
(27)	Pensions Reserve	1,175
(7)	Accumulating Compensated Absences Adjustment Account	(5)
<b>63,262</b>	<b>Total Unusable Reserves</b>	<b>63,352</b>

Revaluation Reserve

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

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

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

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

<b>2021/2022</b>		<b>2022/2023</b>
<u>£000</u>		<u>£000</u>
<b>749</b>	<b>Balance at 1 April</b>	<b>749</b>
-	Upward Revaluation of assets	83
-	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(192)
-	Accumulated gains on assets sold or scrapped	-
-	Amount written off to the Capital Adjustment Account	-
<u><b>749</b></u>	<b>Balance at 31 March</b>	<u><b>640</b></u>

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation and impairment losses are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Board as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Board. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

<b>2021/2022</b>		<b>2022/2023</b>
<u>£000</u>		<u>£000</u>
<b>64,105</b>	<b>Balance at 1 April</b>	<b>62,547</b>
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(2,109)	• Charges for depreciation and impairment of non current assets	(2,165)
1	• Revaluation losses on Property, Plant & Equipment	182
<u>(2,108)</u>	<b>Net written out amount of the cost of non current assets consumed in the year</b>	<u>(1,983)</u>
	Capital financing applied in the year:	
-	• Use of the Capital Receipts Reserve to finance new capital expenditure	-
550	• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	971
-	• Capital expenditure charged against the General Reserve	-
<u>550</u>	<b>Total Capital Financing Applied during the year</b>	<u>971</u>
-	Movements in the market value of Investment Properties debited or credited to the CIES	7
<u><b>62,547</b></u>	<b>Balance at 31 March</b>	<u><b>61,542</b></u>

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

### Pensions Reserve

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

<u>2021/2022</u> <u>£000</u>		<u>2022/2023</u> <u>£000</u>
<b>(628)</b>	<b>Balance at 1 April</b>	<b>(27)</b>
-	Actuarial gains or (losses) on pensions assets and liabilities	-
808	Re-measurements of the net defined benefit liability / (asset)	2,711
(348)	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	(326)
141	Employer's pensions contributions and direct payments to pensioners payable in the year	152
-	Impact of Asset Ceiling	(1,335)
<b><u>(27)</u></b>	<b>Balance at 31 March</b>	<b><u>1,175</u></b>

### 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.

<u>2021/2022</u> <u>£000</u>		<u>2022/2023</u> <u>£000</u>
<b>(9)</b>	<b>Balance at 1 April</b>	<b>(7)</b>
-	Settlement or cancellation of accrual made at the end of the preceding year	-
<u>2</u>	Amounts accrued at the end of the current year	<u>2</u>
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	2
<b><u>(7)</u></b>	<b>Balance at 31 March</b>	<b><u>(5)</u></b>

## 11 CASH FLOW STATEMENT - INVESTING ACTIVITIES

<u>2021/2022</u> <u>£000</u>		<u>2022/2023</u> <u>£000</u>
539	Purchase of property, plant and equipment, investment property and intangible assets	948
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	-
<u>(613)</u>	Other receipts from investing activities	<u>(679)</u>
<b><u>(74)</u></b>	<b>Net cash flows from investing activities</b>	<b><u>269</u></b>

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

**12 CASH FLOW STATEMENT - FINANCING ACTIVITIES**

<b>2021/2022</b>		<b>2022/2023</b>
<u>£000</u>		<u>£000</u>
(6)	Other receipts from financing activities	(1)
<u>(6)</u>	<b>Net cash flows from financing activities</b>	<u>(1)</u>

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

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

<b>31 March 2022</b>		<b>31 March 2023</b>
<u>£000</u>		<u>£000</u>
815	Bank current account	717
<u>815</u>	<b>Total cash and cash equivalents</b>	<u>717</u>

**14 EXTERNAL AUDIT COSTS**

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

	<b>2021/2022</b>	<b>2022/2023</b>
	<u>£000</u>	<u>£000</u>
Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year	13	15
<b>Total</b>	<u>13</u>	<u>15</u>



# TAY ROAD BRIDGE JOINT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

### 15 DEFINED BENEFIT PENSION SCHEMES

#### Participation in pension schemes

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

The Board participates in two post employment schemes:

- The Local Government Pension Scheme (Tayside Pension Fund), which is administered locally by Dundee City Council and is a funded defined benefit final salary scheme, meaning that the Board and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The Scheme currently provides benefits based on career average revalued salary and length of service on retirement.
- The Board also has liabilities for any discretionary pension payments outside the main scheme. These benefits are an unfunded defined benefit final arrangement, under which liabilities are recognised when awards are made. There are no investment assets built up to meet the pension liabilities for discretionary awards, and cash has to be generated to meet actual pensions payments as they eventually fall due.

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

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

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

### Transactions relating to post employment benefits

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

	<b>Local Government Pension Scheme</b>	
	<b>2021/2022</b>	<b>2022/2023</b>
	<b>£000</b>	<b>£000</b>
<b>Comprehensive Income and Expenditure Statement:</b>		
<i>Cost of Services:</i>		
• current service cost	333	324
• past service cost	-	-
• curtailment	-	-
<i>Financing and Investment Income and Expenditure</i>		
• net interest on the defined liability (asset)	11	(1)
• administration expenses	4	3
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>348</b>	<b>326</b>
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
Re-measurement of the net defined benefit liability comprising:		
• Return on plan assets (excluding amount included in the net interest expense)	(386)	844
• Other actuarial (gains) / losses on assets	-	-
• Actuarial gains and losses arising on changes in demographic assumptions	-	-
• Actuarial gains and losses arising on changes in financial assumptions	(439)	(4,352)
• Other (if applicable)	17	797
• Impact of Asset Ceiling	-	1,335
<b>Total Re-measurements</b>	<b>(808)</b>	<b>(1,376)</b>
<b>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</b>	<b>(460)</b>	<b>(1,050)</b>
<b>Movement in Reserves Statement:</b>		
• reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits in accordance with the Code	(348)	(326)
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• employers' contributions payable to scheme	141	152

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

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

#### Local Government Pension Scheme

	2020/2021 £000	2021/2022 £000	2022/2023 £000
Net pension liabilities as at March:			
Present value of funded obligation	11,216	11,057	7,908
Fair value of scheme assets	(10,944)	(11,369)	(10,679)
<b>Net liability</b>	<b>272</b>	<b>(312)</b>	<b>(2,771)</b>
Present value of unfunded obligation	356	339	261
Impact of Asset Ceiling	-	-	1,335
<b>Net liability arising from defined benefit obligation</b>	<b>628</b>	<b>27</b>	<b>(1,175)</b>

### Assets and liabilities in relation to post employment benefits

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

	Funded liabilities: Local Government Pension Scheme	
	2021/2022 £000	2022/2023 £000
Opening balance at 1 April	11,572	11,396
Current service cost	333	324
Interest cost	223	293
Contributions by scheme participants	47	50
<i>Re-measurement (gains) and losses:</i>		
o change in financial assumptions	(439)	(4,352)
o change in demographic assumptions	-	-
Experience gain on defined benefit obligation	17	797
Benefits paid	(357)	(339)
Past service costs, including curtailments	-	-
<b>Closing balance at 31 March</b>	<b>11,396</b>	<b>8,169</b>

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

	Local Government Pension Scheme	
	2021/2022 £000	2022/2023 £000
Opening balance at 1 April	10,944	11,369
Interest income on assets	212	294
Re-measurement gain: return on assets less interest	386	(844)
Actuarial gains and (losses)	-	-
Administration expenses	(4)	(3)
Employer contributions	141	152
Contributions by scheme participants	47	50
Benefits paid	(357)	(339)
<b>Closing balance at 31 March</b>	<b>11,369</b>	<b>10,679</b>

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

The actual return / (loss) on scheme assets in the year was £(550,000) ( 2021/2022: £598,000).

## 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 asset of £1.175m 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 2022.

The principal assumptions used by the actuary have been:

	<b>Local Government Pension Scheme</b>	
	<b>2021/2022</b>	<b>2022/2023</b>
Long-term expected rate of return on assets in the scheme:		
Mortality assumptions:		
Longevity at 65 for current pensioners (years):		
Men	18.9	19.0
Women	22.3	22.4
Longevity at 65 for future pensioners (years):		
Men	20.3	20.4
Women	23.9	23.9
Rate of inflation (RPI)	4.35%	3.85%
Rate of inflation (CPI)	3.35%	2.85%
Rate of increase in salaries	4.35%	3.85%
Rate of increase in pensions	3.35%	2.85%
Rate of discounting scheme liabilities	2.60%	4.80%

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

Impact on the defined benefit obligation in the Scheme:

	<b>Local Government Pension Scheme</b>		
	<b>£000 +0.1%</b>	<b>£000 0%</b>	<b>£000 -0.1%</b>
Adjustment to discount rate:			
o Present value of total obligation	8,067	8,169	8,272
o Projected service cost	160	164	168
Adjustment to long term salary increase:			
o Present value of total obligation	8,184	8,169	8,154
o Projected service cost	164	164	164
Adjustment to pension increases and deferred re-valuation:			
o Present value of total obligation	8,259	8,169	8,081
o Projected service cost	168	164	160
Adjustment to mortality age rating assumption:	<b>+ 1 year</b>	<b>None</b>	<b>- 1 year</b>
o Present value of total obligation	8,590	8,169	7,771
o Projected service cost	170	164	158

## 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 2022	31 March 2022	31 March 2023	31 March 2023
	£000	%	£000	%
Equity investments	8,051	71	7,638	71
Gilts	535	5	213	2
Other Bonds	1,357	12	1,481	14
Property	1,240	11	1,055	10
Cash and alternatives	186	1	292	3
<b>Total</b>	<b>11,369</b>	<b>100</b>	<b>10,679</b>	<b>100</b>

### Impact on the Board's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The Tayside Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100%. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2023.

The Board anticipated to pay £135,000 expected contributions to the scheme in 2023/2024.

### 16 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2022 and 11 September 2023 that required adjustment to the 2022/2023 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 £527,000 of grant receipts outstanding at 31 March 2023 (2021/2022: £219,000) (see note 23).

#### Other Local Authorities

Angus, Dundee City and Fife Councils are considered to be related parties of the Board. Further detail on the nature of the relationship with these local authorities is provided on page 3 of these accounts under 'Members and Officials'. However, there are no agreements between the three local authorities for the sharing of control over the Board, decisions do not require unanimous consent of the three authorities or all twelve members, and veto power does not exist. During 2022/2023, the Board entered into a number of transactions with Dundee City Council and Fife Council, as detailed below:

2021/2022			2022/2023	
Income	Expenditure		Income	Expenditure
£000	£000		£000	£000
(1)	-	<b>Dundee City Council:</b>		
-	86	Interest Receivable	(12)	-
-	5	Central Support Services	-	90
-	35	Grounds Maintenance	-	5
-	183	Professional Fees	-	52
-	69	Capital Works	-	101
-	-	Miscellaneous	-	52
<b>(1)</b>	<b>378</b>	<b>Total Dundee City Council</b>	<b>(12)</b>	<b>300</b>

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

	-	5	<b>Fife Council:</b>		-	6
	-	5	Miscellaneous		-	6
			<b>Total Fife Council</b>		-	<b>6</b>

The following balances existed between the Board and Dundee City Council as at 31 March 2023:

2021/2022			2022/2023		
Asset £000	Liability £000		Asset £000	Liability £000	
		<b>Dundee City Council:</b>			
(1)	-	Interest Receivable	(12)	-	
-	-	Professional Fees	-	9	
-	1	Miscellaneous	-	243	
<b>(1)</b>	<b>1</b>	<b>Total Dundee City Council</b>	<b>(12)</b>	<b>252</b>	

### 18 LEASES

#### The Board as Lessee

The Board held no assets on finance or operating lease during 2022/2023 and, accordingly, there were no lease rentals paid to lessors during the year (2021/2022: None) or commitments due to lessors in 2022/2023 (2021/2022: 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 2022/2023 the Board received rent of £10,213 from this agreement (2021/2022: £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:

	2021/2022 £000	2022/2023 £000
Rental income from investment property	10	10
Direct operating expenses arising from investment property	(4)	(8)
<b>Net gain/(loss)</b>	<b>6</b>	<b>2</b>

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

	2021/2022 £000	2022/2023 £000
Balance at start of the year	68	68
Net gains / (losses) from changes in fair value	-	7
<b>Balance at end of the year</b>	<b>68</b>	<b>75</b>

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 2022/2023:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2022	1,310	2,218	87,001	<b>90,529</b>
Additions	-	566	405	<b>971</b>
Expenditure Not Adding Value	-	(7)	(82)	<b>(89)</b>
Revaluation Increase / (Decrease) recognised in Revaluation Reserve	(110)	-	-	<b>(110)</b>
Revaluation Increases / (Decreases) recognised in the Surplus / Deficit on the Provision of Services	112	-	-	<b>112</b>
<b>At 31 March 2023</b>	<b>1,312</b>	<b>2,777</b>	<b>87,324</b>	<b>91,413</b>
<b>Accumulated Depreciation and Impairment</b>				
At 1 April 2022	71	1,028	26,135	<b>27,234</b>
Depreciation charge	25	148	1,903	<b>2,076</b>
Write back of Depreciation	(71)	-	-	<b>(71)</b>
<b>At 31 March 2023</b>	<b>25</b>	<b>1,176</b>	<b>28,038</b>	<b>29,239</b>
<b>Net Book Value:</b>				
<b>At 31 March 2023</b>	<b>1,287</b>	<b>1,601</b>	<b>59,286</b>	<b>62,174</b>
<b>At 31 March 2022</b>	<b>1,239</b>	<b>1,190</b>	<b>60,866</b>	<b>63,295</b>

Comparative Movements in 2021/2022:

	Other Land and Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Total Property, Plant & Equipment £000
<b>Cost or Valuation</b>				
At 1 April 2021	1,309	2,094	86,642	<b>90,045</b>
Additions	-	140	410	<b>550</b>
Expenditure Not Adding Value	-	(16)	(51)	<b>(67)</b>
Revaluation Increases / (Decreases) recognised in the Surplus / Deficit on the Provision of Services	1	-	-	<b>1</b>
<b>At 31 March 2022</b>	<b>1,310</b>	<b>2,218</b>	<b>87,001</b>	<b>90,529</b>
<b>Accumulated Depreciation</b>				
At 1 April 2021	36	855	24,301	<b>25,192</b>
Depreciation charge	35	173	1,834	<b>2,042</b>
<b>At 31 March 2022</b>	<b>71</b>	<b>1,028</b>	<b>26,135</b>	<b>27,234</b>
<b>Net Book Value:</b>				
<b>At 31 March 2022</b>	<b>1,239</b>	<b>1,190</b>	<b>60,866</b>	<b>63,295</b>
<b>At 31 March 2021</b>	<b>1,273</b>	<b>1,239</b>	<b>62,341</b>	<b>64,853</b>

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

### *Capital Commitments*

At 31 March 2023, the Board has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2023/2024 and future years, budgeted to cost £11.829m (Similar commitments at 31 March 2022 were £0.182m).

The major commitments are for:

- Carriageway Resurfacing: £5.633m in 2023/2024 and £6.196m in 2024/2025.

### *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).

## 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.

	2021/2022 £000	2022/2023 £000
<i>Capital investment:</i>		
Property, Plant and Equipment	550	971
<b>Total Capital Investment</b>	<b>550</b>	<b>971</b>
<i>Sources of finance:</i>		
Government grants and other contributions	550	971
<b>Total Sources of Finance</b>	<b>550</b>	<b>971</b>

## 22 INVENTORIES

	Maintenance Materials		Total	
	2021/2022 £000	2022/2023 £000	2021/2022 £000	2022/2023 £000
<b>Balance outstanding at start of year</b>	50	45	50	45
Recognised as an expense in the year	(1)	(1)	(1)	(1)
Other adjustments	(4)	-	(4)	-
<b>Balance outstanding at year-end</b>	<b>45</b>	<b>44</b>	<b>45</b>	<b>44</b>

## 23 SHORT-TERM DEBTORS

	31 March 2022 £000	31 March 2023 £000
Central government bodies	219	527
Local authorities	46	128
Other entities and individuals	53	96
<b>Total</b>	<b>318</b>	<b>751</b>

## 24 SHORT-TERM CREDITORS

	31 March 2022 £000	31 March 2023 £000
Central government bodies	29	10
Local authorities	8	252
Other entities and individuals	55	161
<b>Total</b>	<b>92</b>	<b>423</b>



# TAY ROAD BRIDGE JOINT BOARD

## NOTES TO THE FINANCIAL STATEMENTS

### 25 GRANT INCOME

The Board credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Account in 2022/2023:

	2021/2022 £000	2022/2023 £000
<b>Credited to Taxation and Non Specific Grant Income</b>		
Scottish Government Revenue Grant	1,581	1,759
Scottish Government Capital Grant	550	971
Repayment of Scottish Government Capital Grant	-	-
<b>Total</b>	<b>2,131</b>	<b>2,730</b>

The Board has £nil revenue grants, contributions and donations that have yet to be recognised as income due to them having conditions attached to them that requires the monies or property to be returned to the grant provider (2021/2022: £nil).

### 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.

On 23 March 2021, the Government published the outcome to its GMP Indexation GMP Consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 5 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 actuaries assumption is consistent with the consultation outcome and they do not believe that any adjustments are required to the value placed on the liabilities as a result of the consultation outcome.

#### 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.

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

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.

### **27 CONTINGENT ASSETS**

During 2022/2023 there were several accidents recorded that resulted in damage to the Board's property. These are subject to ongoing insurance claims. No income has been recognised in the 2022/2023 accounts as the amount and timing of any insurance receipts are uncertain at the date that the audited accounts were authorised for issue.

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

## Reporting 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 2023 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, and Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted, and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Tay Road Bridge Joint Board as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted, and adapted by the 2022/23 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 by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2021/22 to 2025/26. Including a previous appointment, the period of total uninterrupted appointment will be seven years. I am independent of 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 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.

### Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Tay Road Bridge Joint Board to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of Tay Road Bridge Joint Board. However, I report on Tay Road Bridge Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

### Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In preparing the financial statements, the Treasurer is responsible for assessing the ability of 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 there is an intention to discontinue Tay Road Bridge Joint Board's operations.

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 obtain 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 decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of Tay Road Bridge Joint Board;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of Tay Road Bridge Joint Board;
- inquiring of the Treasurer concerning the policies and procedures of Tay Road Bridge Joint Board regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of Tay Road Bridge Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on other requirements**

### **Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report**

I have audited the parts of the Annual Remuneration Report described as audited. In my opinion, the audited parts of the Annual Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### **Other information**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited parts of the Annual Remuneration Report.

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My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

## **Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

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 parts 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 108 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.

*Richard Smith*

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11 September 2023