

REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
JOINT COMMITTEE MEETING ON 21st FEBRUARY 2017

REPORT ON: TAYplan BUDGET UPDATE AND 3 YEAR PROJECTIONS

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AUTHORITY MANAGER

REPORT NO: SDPA 03-2017

1 PURPOSE OF REPORT

1.1 This report provides an update on the TAYplan budget for the year ending 31st March 2017 and the SDPA Manager's 3 year budget projections to the period 31st March 2020.

2 SUMMARY

2.1 The projected expenditure within the current financial year 2016/17 is £229,171, slightly less than reported in October 2016. The reserve balance as at 31st March 2017 is projected at £186,499. The 3 year SDPA Manager's budget projections are: £352,042 (including a rebate to the councils) in 2017/18; £147,308 in 2018/19; and £155,913 in 2019/20 based on the agreements in paragraph 5.3 to 5.12.

3 RECOMMENDATION

3.1 It is recommended that the Joint Committee:

- a) Note the budget projections for current year ending 31st March 2017 as set out in Appendix 1; and,
- b) Note the SDPA Manager's 3 year budget projections to 31st March 2020 as set out in Appendix 2 and monitoring thereof.

4 FINANCIAL IMPLICATIONS

4.1 The financial implications of this report are set out in Appendices 1 and 2. The costs of running TAYplan are contained within the defined budget for the forthcoming three years (Appendix 2). This highlights a projected change in the reserve balances and future decisions pending the outcome of the planning review.

5 BUDGET UPDATE

Budget update for current year ending 31st March 2017

5.1 The budget expenditure for the financial year 2016/17 is set out in Appendix 1. The main areas of expenditure beyond staff costs relate to the Examination of the Strategic Development Plan and an agreed rebate to the four councils (totalling £60,000). Other costs include printing, software and licences, advertising, and central recharging from Dundee City Council for legal, finance, and other support.

- 5.2 The projected expenditure for this current 2016/17 financial year is £229,171. The estimated net expenditure position is £34,829 lower than budgeted for. This is mainly due to the team manager post operating without cost and various lower operational expenses, which is partly offset by the refund of contributions to partners. This will leave the estimated reserve balance at £186,499 at the end of this financial year.

Proposed 3 year budget to 31st March 2020

Context

- 5.3 The SDPA Manager's budget 3 year projections are based on delivering the current Project Plan, as agreed by the Joint Committee in October 2012 (Report SDPA11-2012) and assumptions about the continuation of current legal duties (pending the conclusions of the planning review).
- 5.4 The Board has agreed the continuation of the current rate of contributions (£46,000 per authority per year) for each of the next three financial years. For the year 2017/18 each council will receive a rebate of £46,000. This refund to partners (totalling £184,000) results in a significantly higher expenditure of £352,042 for 2017/18.
- 5.5 This decision will use the TAYplan reserves whilst retaining budgetary recognition for the strategic planning function. Decisions on funding for future financial years will depend on the outcome of the planning review (Report SDPA 02-2017).
- 5.6 The Planning etc. Scotland Act 2006 (section 10(9)) requires the next Strategic Development Plan to be submitted within 4 years after the approval date of the current plan – anticipated early 2017. The consequence of this is that the development plan-making process is continuous – assuming current statutory duties continue. These duties therefore remain until any legislative changes resulting from the planning review (whatever these may be) become operational.

Proposed Three Year Budget

- 5.7 The proposed budget for the next three years is:
- | | |
|---------|---|
| 2017/18 | £352,042 (including £184,000 rebate to councils), |
| 2018/19 | £147,308, and, |
| 2019/20 | £155,913 |
- 5.8 Appendix 2 provides the detailed breakdown of the three year projections for information. Over the period to March 2020 it is proposed to leave a number of costs largely unchanged; for example, office rent. The known variable costs relate to external consultancy, legal fees, advertising, and printing. These reflect the different annual activities in the process of preparing a Strategic Development Plan.
- 5.9 The temporary filling of the Interim Manager's post by the Head of Tay Cities Deal continues with no cost.

Justification

- 5.10 Within the context of wider budget pressures, these three year budget projections are presented as the most realistic and cost efficient. These projections are based on actual costs of the process to date of producing the first and second Plans.

Reserve Balance

- 5.11 A positive reserve balance is projected at the end of this current financial year of £186,499 (Appendix One). The reserve balance is projected to decrease in 2017/18 to £25,957 2018/19 to £66,599 and in 2019/20 to £94,886.

- 5.12 These changes projected in the reserve over the next 3 years need to be managed. It was agreed by the Joint Committee in February 2014 (*Report SDPA04-2014: TAYplan Budget Update*) to have a minimum of £25,000 held as a balance in reserve. By March 2018 the projected balance falls to £25,957, after which time it would rise. This is because decisions regarding any rebate in future years will be dependent on the outcome of the planning review. By 2019/20 the Scottish Government is expected to have announced and progressed any legislation associated with the current Scottish planning review.

6.0 CONSULTATIONS

- 6.1 TAYplan's Treasurer and Clerk; Angus Council's Director of Communities Directorate; Dundee City Council's Executive Director of City Development; Fife Council's Executive Director, Enterprise & Environment; and Perth & Kinross Council's Director (Environment) have been consulted and are in agreement with the contents of this report.

7.0 BACKGROUND PAPERS

- 7.1 Report SDPA11-2012: TAYplan Project Plan, 2 October, 2012
(<http://www.tayplan-sdpa.gov.uk/jointcommittee>)
- 7.2 Report SDPA04-2014: TAYplan Budget Update 25 February, 2014
(<http://www.tayplan-sdpa.gov.uk/jointcommittee>)
- 7.3 Report SDPA06-2015: TAYplan Budget Update, 18 February, 2015
(<http://www.tayplan-sdpa.gov.uk/jointcommittee>)
- 7.4 Report SDPA09-2015: TAYplan Budget Update, 6 October, 2015
(<http://www.tayplan-sdpa.gov.uk/jointcommittee>)
- 7.5 Report SDPA09-2015: TAYplan Budget Update, 18 February, 2016
(<http://www.tayplan-sdpa.gov.uk/jointcommittee>)
- 7.6 Report SDPA09-2015: TAYplan Budget Update, 4 October, 2016
(<http://www.tayplan-sdpa.gov.uk/jointcommittee>)
- 7.7 The Planning etc. (Scotland) Act 2006
(http://www.legislation.gov.uk/asp/2006/17/pdfs/asp_20060017_en.pdf.)
- 7.8 Town and Country Planning (Scotland) Act 1997
(<http://www.scotland.gov.uk/Publications/2005/01/20576/50663>)

APPENDICES

1. TAYplan current budget projections for current year ending 31st March 2017.
2. TAYplan SDPA Manager's 3 year budget projections to 31st March 2020.

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