

**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

**REPORT BY:** DAVID LITTLEJOHN, INTERIM STRATEGIC DEVELOPMENT PLAN  
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 31<sup>st</sup> March 2017 and the SDPA Manager's 3 year budget projections to the period 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March 2017 as set out in Appendix 1; and,
  - b) Note the SDPA Manager's 3 year budget projections to 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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](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 31<sup>st</sup> March 2017.
2. TAYplan SDPA Manager's 3 year budget projections to 31<sup>st</sup> March 2020.

Report prepared by Nick Smith, Senior Planner, TAYplan

David Littlejohn, Interim Strategic Development Plan Authority Manager 7 February 2017

## Appendix 1: TAYplan budget update for the current financial year 2016/17

	16/17 Projected	16/17 Ledger @11/1/17 (£)	16/17 Committed (£)	16/17 Base Budget (£)	Projected Variance (£)
<b>STAFF COSTS</b>					
GROSS PAY	79,000	62,235		114,000	(35,000)
SUPERANNUATION	13,292	10,442		18,500	(5,208)
NATIONAL INSURANCE	8,437	6,683		10,500	(2,063)
TEMPORARY/CASUAL STAFF	2,252	2,252		11,000	(8,748)
STUDENTS	-	-		-	-
RELOCATIONS	-	-		-	-
TRAINING/CONF/OTHER STAFF EXPENSES	1,000	585		2,250	(1,250)
	<b>103,981</b>	<b>82,197.00</b>	<b>0</b>	<b>156,250</b>	<b>(52,269)</b>
<b>PROPERTY COSTS</b>					
10100 RENT	14,190	10,643	0	14,300	(110)
	<b>14,190</b>	<b>10,643.00</b>	<b>0</b>	<b>14,300</b>	<b>(110)</b>
<b>SUPPLIES &amp; SERVICES</b>					
20302 OFFICE FURNITURE & EQUIPMENT	-	-		1,000	(1,000)
24005 PRINTING	5,000	-		10,000	(5,000)
24106 STATIONERY	1,000	153	0	3,000	(2,000)
24107 PHOTOCOPYING	300	-		2,500	(2,200)
24111 BOOKS & MATERIALS	50	-		200	(150)
25003 AUDIT	2,800	-		2,800	0
26000 COMPUTER Consumables	500	97		2,000	(1,500)
26002 COMPUTER Hardware	-	-		2,000	(2,000)
26003 COMPUTER Software & licences	5,000	4,696	0	5,000	0
26900 POSTAGES	1,000	79		1,000	0
26111 TELEPHONES	500	188		500	0
25010 LEGAL FEES	-	-		0	0
27202 ADVERTISING	4,000	575		8,000	(4,000)
27210 HOSPITALITY	600	374		3,250	(2,650)
27300 VENUE HIRE	500	250		1,800	(1,300)
25047 EXAMINATION	20,000	2,426		20,000	0
	<b>41,250</b>	<b>8,838.00</b>	<b>-</b>	<b>63,050</b>	<b>(21,800)</b>
<b>TRANSPORT COSTS</b>					
37700 CAR ALLOWANCES	250	78		750	(500)
35700 OTHER TRANSPORT COSTS	1,500	713		3,000	(1,500)
	<b>1,750</b>	<b>791.00</b>	<b>0</b>	<b>3,750</b>	<b>(2,000)</b>
<b>3RD PARTY PAYMENTS</b>					
25020 EXTERNAL CONSULTANTS	-	-		15,000	(15,000)
REFUND OF CONTRIBUTIONS	60,000	15,000		0	60,000
	<b>60,000</b>	<b>15,000.00</b>	<b>-</b>	<b>15,000</b>	<b>45,000</b>
<b>SUPPORT SERVICES</b>					
27800 RECHARGE FROM CENTRAL DPTS (LEGAL etc)	8,000	-		8,000	-
	<b>8,000</b>	<b>-</b>	<b>0</b>	<b>8,000</b>	<b>0</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>229,171</b>	<b>117,469.00</b>	<b>0</b>	<b>260,350</b>	<b>(31,179)</b>
<b>INCOME</b>					
CONTRIBUTIONS LA	204,000	204,000		204,000	0
78900 SALE OF DOCUMENTS	-	-		0	0
70600 INTEREST ON REVENUE BALANCES	700	-		600	100
RENTAL INCOME (CITY DEALS)	3,550	3,550		0	3,550
TOTAL INCOME	<b>208,250</b>	<b>207,550</b>	<b>0</b>	<b>204,600</b>	<b>3,650</b>
<b>NET EXPENDITURE</b>	<b>20,921</b>	<b>(90,081)</b>	<b>0</b>	<b>55,750</b>	<b>(34,829)</b>
<b>RESERVE</b>					
Opening Reserve Balance	207,420			207,420	
Transfer To / (From) Reserve	(20,921)			(55,750)	
Balance Carried Forward	186,499			151,670	

## Appendix 2: TAYplan 3 year budget projections

	17/18	18/19	19/20
	Estimate	Estimate	Estimate
<b>STAFF COSTS</b>			
GROSS PAY	68,590	70,896	73,653
SUPERANNUATION	11,661	12,053	12,521
NATIONAL INSURANCE	7,241	7,559	7,939
TEMPORARY/CASUAL STAFF	-	-	-
STUDENTS	-	-	-
RELOCATIONS	-	-	-
TRAINING/CONF/OTHER STAFF EXPENSES	2,250	2,250	2,250
	<b>89,742</b>	<b>92,758</b>	<b>96,363</b>
<b>PROPERTY COSTS</b>			
10100 RENT	14,300	14,300	14,300
	<b>14,300</b>	<b>14,300</b>	<b>14,300</b>
<b>SUPPLIES &amp; SERVICES</b>			
20302 OFFICE FURNITURE & EQUIPMENT	1,000	1,000	1,000
24005 PRINTING	2,000	2,000	8,000
24106 STATIONERY	2,000	2,000	2,000
24107 PHOTOCOPYING	2,500	2,500	2,500
24111 BOOKS & MATERIALS	200	200	200
25003 AUDIT	2,800	2,800	2,800
26000 COMPUTER Consumables	1,000	1,000	1,000
26002 COMPUTER Hardware	2,000	2,000	2,000
26003 COMPUTER Software & licences	5,000	5,250	5,250
26900 POSTAGES	1,000	1,500	1,500
26111 TELEPHONES	500	500	500
25010 LEGAL FEES	-	-	-
27202 ADVERTISING	1,000	1,000	3,500
27210 HOSPITALITY	1,750	1,750	1,750
27300 VENUE HIRE	500	1,000	2,500
25047 EXAMINATION	-	-	-
	<b>23,250</b>	<b>24,500</b>	<b>34,500</b>
<b>TRANSPORT COSTS</b>			
37700 CAR ALLOWANCES	750	750	750
35700 OTHER TRANSPORT COSTS	2,000	2,000	2,000
	<b>2,750</b>	<b>2,750</b>	<b>2,750</b>
<b>3RD PARTY PAYMENTS</b>			
25020 EXTERNAL CONSULTANTS	30,000	5,000	0
REFUND OF CONTRIBUTIONS	184,000	-	-
	<b>214,000</b>	<b>5,000</b>	<b>0</b>
<b>SUPPORT SERVICES</b>			
27800 RECHARGE FROM CENTRAL DPTS (LEGAL etc)	8,000	8,000	8,000
	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>352,042</b>	<b>147,308</b>	<b>155,913</b>
<b>INCOME</b>			
CONTRIBUTIONS LA	184,000	184,000	184,000
78900 SALE OF DOCUMENTS	-	-	-
70600 INTEREST ON REVENUE BALANCES	400	400	200
RENTAL INCOME (CITY DEALS)	7,100	3,550	-
TOTAL INCOME	<b>191,500</b>	<b>187,950</b>	<b>184,200</b>
<b>NET EXPENDITURE</b>	<b>160,542</b>	<b>(40,642)</b>	<b>(28,287)</b>
<b>RESERVE</b>			
Opening Reserve Balance	186,499	25,957	66,599
Transfer To / (From) Reserve	(160,542)	40,642	28,287
Balance Carried Forward	25,957	66,599	94,886