

**REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
JOINT COMMITTEE MEETING ON 18th FEBRUARY 2016**

REPORT ON: TAYplan BUDGET UPDATE AND 3 YEAR PROJECTIONS

**REPORT BY: BILL LINDSAY, ACTING STRATEGIC DEVELOPMENT PLAN
AUTHORITY MANAGER**

REPORT NO: SDPA 05-2016

1 PURPOSE OF REPORT

- 1.1 This report provides an update on the Strategic Development Planning Authority's budget for the year ending 31st March 2016 and the SDPA Manager's 3 year budget projections to the period 31st March 2019.

2 SUMMARY

- 2.1 The projected expenditure within the current financial year 2015/16 is £204,900, slightly less than reported in October 2015. The 3 year SDPA Manager's budget projections are: £260,400 in 2016/17; £278,600 in 2017/18; and £249,800 in 2018/19. The reserve balance as at 31st March 2016 is projected at £200,778.

3 RECOMMENDATION

- 3.1 It is recommended that the Joint Committee:
- a) Note the current budget projections for current year ending 31st March 2016 as set out in Appendix 1; and,
 - b) Note the SDPA Manager's 3 year budget projections to 31st March 2019 as set out in Appendix 2 and monitoring thereof.

4 FINANCIAL IMPLICATIONS

- 4.1 There are no additional financial implications arising from this report but it does highlight a projected reduction in reserve balances.

5 BUDGET UPDATE

Budget update for current year ending 31st March 2016

- 5.1 The budget expenditure for the financial year 2015/16 is set out in Appendix 1. The main areas of expenditure beyond staff costs relate to 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 2015/16 financial year is £204,900.

Proposed 3 year budget to 31st March 2019

Context

- 5.3 The SDPA Manager's budget projections are based on delivering the current Project Plan, as agreed by the Joint Committee in October 2012 (Report SDPA11-2012) and based on annual contributions of £51,000 per Authority in 2016/17 as agreed by the joint Committee on 6th October 2015 (Report SDPA09-2015). This is a reduction of £36,000 for 2016/17 – a 15% cut - and if contributions continue at that level TAYplan's operating budget will fall to its minimum reserve level in 2019/20 as discussed below (para. 5.10).
- 5.4 The Planning etc. Scotland Act 2006 (section 10(9)) requires a subsequent Strategic Development Plan to be submitted within 4 years after the date on which the current plan was approved by the Scottish Ministers (8th June 2012). The consequence of this is that the development plan-making process is continuous.

Proposed Three Year Budget

- 5.5 The proposed budget for the next three years is:

2016/17	£260,400
2017/18	£278,600
2018/19	£249,800

- 5.6 Appendix 2 provides the detailed breakdown of the three year projections for information. Over the period to March 2019 it is proposed to leave a number of costs largely unchanged; for example, office rent. The known variable costs relate to temporary staffing, external consultancy, legal fees, advertising, and printing. These reflect the different annual activities in the process of preparing a Strategic Development Plan.
- 5.7 The temporary filling of the Acting Manager's post on a part-time basis from October 2015 to September 2016 has provided a one-off £42,000 additional saving which is achieved over 2015/16-16/17. Additional staff resource for 2016 beyond the core team of three will consist of a summer student post over a 3 month period from June-August 2016 and a temporary graduate level post for 18-24 months from December 2016

Justification

- 5.8 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 on the process to date of producing the first Plan.

Reserve Balance

- 5.9 A positive reserve balance is projected at the end of this current financial year of £200,800 (Appendix One). The reserve balance is projected to decrease in 2017/18 to £145,000 and in 2018/19 to £70,900.
- 5.10 The reduction over the next 3 years projected in the reserve requires 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 2019 the projected balance falls to £25,500, which is at the agreed minimum level, after which it goes into deficit from 2019/20 (Appendix 2). Additional funding will therefore need to be agreed by 2018/19, by which time the Scottish Government can be expected to have announced the outcome of its planning review.

- 5.11 A reduction in the external consultancy budget is proposed across 2016/17-18/19 to maintain the reserve balance at the minimum level without prejudicing the work programme for TAYplan3. The projected reserve will be monitored annually.

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 Executive 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 The Planning etc. (Scotland) Act 2006
(http://www.legislation.gov.uk/asp/2006/17/pdfs/asp_20060017_en.pdf.)
- 7.6 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 2016.
2. TAYplan SDPA Manager's 3 year budget projections to 31st March 2019.

Bill Lindsay
Acting Strategic Development Plan Authority Manager
25 January 2016

Appendix 1

Current budget projections for current year ending 31st March 2016

APPENDIX 1: CURRENT YEAR BUDGET PROJECTION TO 31st MARCH 2016

	15/16 Projected	15/16 Ledger (£)	15/16 Committed (£)	15/16 Base Budget (£)	Projected Variance (£)
STAFF COSTS					
GROSS PAY	108,381	68,426	0	128,521	(20,140)
SUPERANNUATION	18,265	11,457	0	23,776	(5,511)
NATIONAL INSURANCE	9,777	5,929	0	11,396	(1,619)
STUDENTS/TEMPORARY/CASUAL STAFF RELOCATIONS	11,457	11,457	0	23,250	(11,793)
TRAINING/CONF/OTHER STAFF EXPENSES	4,000	3,623		2,250	1,750
	151,881	100,892	0	189,193	(37,312)
PROPERTY COSTS					
10100 RENT	14,300	10,643	0	14,300	0
	14,300	10,643	0	14,300	0
SUPPLIES & SERVICES					
20302 OFFICE FURNITURE & EQUIPMENT	-		0	1,000	(1,000)
24005 PRINTING	8,556	8,556	0	10,000	(1,444)
24106 STATIONERY	1,500	802	0	3,000	(1,500)
24107 PHOTOCOPYING	1,000	144	0	2,500	(1,500)
24111 BOOKS & MATERIALS	203	107	0	200	3
25003 AUDIT	2,800	(1)	0	2,800	0
26000 COMPUTER Consumables	2,000	778	0	2,000	0
26002 COMPUTER Hardware	-		0	2,000	(2,000)
26003 COMPUTER Software & licences	5,000	4,585	0	5,000	0
26900 POSTAGES	1,500	0	0	1,500	0
26111 TELEPHONES	500	79	0	500	0
25010 LEGAL FEES	-		0	0	0
27202 ADVERTISING	2,000	1,846	0	3,500	(1,500)
27210 HOSPITALITY	350	320	0	1,750	(1,400)
27300 VENUE HIRE EXAMINATION	200	192	0	1,500	(1,300)
	25,609	17,408	-	37,250	(11,641)
TRANSPORT COSTS					
37700 CAR ALLOWANCES	850	499	0	850	0
35700 OTHER TRANSPORT COSTS	3,250	1,339	0	3,250	0
	4,100	1,838	0	4,100	0
3RD PARTY PAYMENTS					
25020 EXTERNAL CONSULTANTS	1,000	570	0	5,000	(4,000)
REFUND OF CONTRIBUTIONS	-		0	0	0
	1,000	570	-	5,000	(4,000)
SUPPORT SERVICES					
27800 RECHARGE FROM CENTRAL DPTS (LEGAL etc)	8,000	8,000	0	8,000	
	8,000	8,000	0	8,000	0
TOTAL GROSS EXPENDITURE	204,890	139,351	0	257,843	(52,953)
INCOME					
CONTRIBUTIONS LA	240,000	240,000	0	240,000	0
78900 SALE OF DOCUMENTS	-		0	200	(200)
70600 INTEREST ON REVENUE BALANCES	750		0	800	(50)
CONSULTATION & ENGAGEMENT CONTRIBUTIONS	-		0	0	0
TOTAL INCOME	240,750	240,000	0	241,000	(250)
NET EXPENDITURE	(35,860)	(100,649)	0	16,843	(52,703)
RESERVE					
Opening Reserve Balance		164,918		164,918	
Transfer To / (From) Reserve		35,860		(16,843)	
Balance Carried Forward		200,778		148,075	

Appendix 2

SDPA Manager's 3 year budget projections to 31st March 2019

APPENDIX 2: 3 YEAR PROJECTION TO 31st MARCH 2019

	16/17	17/18	18/19
	Projected		
STAFF COSTS			
GROSS PAY	114,000	132,500	134,000
SUPERANNUATION	18,500	24,500	25,000
NATIONAL INSURANCE	10,500	12,000	12,000
STUDENTS/TEMPORARY/CASUAL STAFF RELOCATIONS	11,000	26,000	19,000
TRAINING/CONF/OTHER STAFF EXPENSES	2,250	2,250	2,250
	156,250	197,250	192,250
PROPERTY COSTS			
10100 RENT	14,300	14,300	14,300
	14,300	14,300	14,300
SUPPLIES & SERVICES			
20302 OFFICE FURNITURE & EQUIPMENT	1,000	1,000	1,000
24005 PRINTING	10,000	2,000	2,000
24106 STATIONERY	3,000	3,000	3,000
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	2,000	2,000	2,000
26002 COMPUTER Hardware	2,000	2,000	2,000
26003 COMPUTER Software & licences	5,000	5,000	5,250
26900 POSTAGES	1,000	1,000	1,500
26111 TELEPHONES	500	500	500
25010 LEGAL FEES	0	-	-
27202 ADVERTISING	8,000	1,000	1,000
27210 HOSPITALITY	3,250	1,750	1,750
27300 VENUE HIRE	1,800	500	1,000
EXAMINATION	20,000	-	-
	63,050	25,250	26,500
TRANSPORT COSTS			
37700 CAR ALLOWANCES	750	750	750
35700 OTHER TRANSPORT COSTS	3,000	3,000	3,000
	3,750	3,750	3,750
3RD PARTY PAYMENTS			
25020 EXTERNAL CONSULTANTS REFUND OF CONTRIBUTIONS	15,000	30,000	5,000
	15,000	30,000	5,000
SUPPORT SERVICES			
27800 RECHARGE FROM CENTRAL DPTS (LEGAL etc)	8,000	8,000	8,000
	8,000	8,000	8,000
TOTAL GROSS EXPENDITURE	260,350	278,550	249,800
INCOME			
CONTRIBUTIONS LA	204,000	204,000	204,000
78900 SALE OF DOCUMENTS	0	-	-
70600 INTEREST ON REVENUE BALANCES	600	400	400
CONSULTATION & ENGAGEMENT CONTRIBUTIONS	0	-	-
TOTAL INCOME	204,600	204,400	204,400
NET EXPENDITURE	55,750	74,150	45,400
RESERVE			
Opening Reserve Balance	200,778	145,028	70,878
Transfer To / (From) Reserve	(55,750)	(74,150)	(45,400)
Balance Carried Forward	145,028	70,878	25,478