

**REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY  
JOINT COMMITTEE MEETING ON 23rd NOVEMBER 2010**

**REPORT ON: STRATEGIC DEVELOPMENT PLAN AUTHORITY: UPDATE  
AND 3 YEAR PROPOSED BUDGET**

**REPORT BY: PAMELA EWEN, STRATEGIC DEVELOPMENT PLAN  
AUTHORITY MANAGER**

**REPORT NO: SDPA11-2010**

## **1 PURPOSE OF REPORT**

- 1.1 This report provides information on the audited accounts for the last financial year. In addition, an update for the Joint Committee on the Strategic Development Plan Authority (SDPA) budget for year ending 31<sup>st</sup> March 2010 and a proposed 3 year budget to the period 31<sup>st</sup> March 2014 is set out.

## **2 RECOMMENDATION**

- 2.1 It is recommended that The Joint Committee:
- a) Note the Management Accounts and The Audited Accounts for year ending 31<sup>st</sup> March 2010 as set out in Appendix One;
  - b) Report to Members and the Controller of Audit on the 2009/10 Audit as set out in Appendix Two;
  - c) Note the current budget projections for current year ending 31<sup>st</sup> March 2011 as set out in Appendix Three;
  - d) Note the 3 year budget to 31<sup>st</sup> March 2014 as set out Appendix Three; and,
  - e) Approve the reserve balance (projected £156,500 or as varied through The Joint Committee agreeing Project Plan amendments) be carried over in full into the next financial year (2011/12) within the budget as noted above in recommendation (d).

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The financial implications are set out within the main body of this report.

## **4 BUDGET UPDATE**

- Audited accounts for year ending 31<sup>st</sup> March 2010
- 4.1 The unaudited accounts for the previous financial year were reported to the last Joint Committee in August 2010 (Report 07/2010: SDPA Budget Update). The accounts have now been audited (see Appendix One to this report).

- 4.2 The Report to members details one action in respect of financial planning which states 'TAYplan will not be immune from the financial pressures upon its constituent councils. It will need robust information about activity, costs and performance to identify ways of more effectively delivering services with decreasing levels of income. *Risk: TAYplan is unable to meet expenditure commitments from available income.*' This committee report sets out a review of the SDPA budget and this will continue to be monitored through the Joint Committee quarterly. The project risk plan already identifies this risk.

Budget update for current year ending 31<sup>st</sup> March 2011

- 4.3 An update from the quarterly report to the previous Committee (Report 07/2010: SDPA Budget Update) is set out in Appendix Three to this report. The projected budget is £232,300 (including research contributions/income) against a base budget of £284,450. Some additional savings are projected in this financial year of £52,000. The projected reserve balance is £156,500 which would be carried over to 2011/12.
- 4.4 Report 10/2010 'Project Plan Update' to this Committee sets out recommendations to amend the Project Plan. These timescale changes will result in variations on spend against the budget as set out in Appendix Three to this report. Costs related to printing, advertising and consultation will be carried over in the reserve balance to 2011/12.
- 4.5 Efficiencies savings of 18% have been made within this years budget, achieved largely through partnership funding for transport research (TACTRAN and Transport Scotland), together with an overall reduction in external research costs through work being delivered internally. In addition, savings have been made within the staff training and travel costs budgets. These savings are taken forward into the next financial year.

Proposed 3 year budget to 31<sup>st</sup> March 2014

*Context*

- 4.6 At the Joint Committee in August 2009 a revised project plan was agreed (Report 12-2009: SDPA Project Plan Update) with the approval of the first Strategic Development Plan anticipated by January 2013.
- 4.7 The budget projections are based on delivering the project plan and commencing the 2<sup>nd</sup> Strategic Development Plan in early 2013 with some research, hence the differential external consultancy projections. These projections have been considered within the wider context of continuous and increasing pressure on local authority budgets.

*Proposed Budget*

- 4.8 The projected budget for this current financial year is £232,300. For the following three years it is:
- |         |  |
|---------|--|
| 2011/12 | £233,600 (may increase as set out in para 4.4 above) |
| 2012/13 | £302,300   |
| 2013/14 | £247,000   |

- 4.9 Appendix Three provides the detailed breakdown of the three year projections. Over the period to 31<sup>st</sup> March 2014 there are a number of costs which are proposed to remain largely unchanged, for example office rent. The known differential costs relate to external consultancy, legal fees, advertising and the examination process. The latter being the most significant with a projected cost of £110,000, 50% of which requires to be covered by TAYplan SDPA. To date there has not been an examination of a Strategic Development Plan and as such the projected cost is based on assumptions which have been discussed with the Reporters Unit.

*Justification*

- 4.10 Within the context of wider budget pressures, these three year projections are presented as the most realistic. Savings have been built within each year taking account of the stage the project will be at. The research through external consultancy has been reduced from the current budget year base of £50,000 to £15,000 over the next 2 years and then £30,000 to commence the 2<sup>nd</sup> Strategic Development Plan. If external research requirements exceed this budget financial contributions will be sought from the Constituent Councils and other funding sources, where appropriate.
- 4.11 At the meeting of the Joint Committee in November 2008 (Report 06/2008: Proposed Staffing and Draft Budget for SDPA) it was agreed that an annual budget of £60,000 per authority to the SDPA be recommended to partner authorities for approval. This was subsequently agreed to by the Constituent Councils.
- 4.12 The annual agreed income is £240,000 and this is required in full to March 2014 to deliver the project plan and meet the statutory requirements as agreed. The detailed projections in Appendix Three highlight that in some years the costs of the TAYplan SDPA exceed the annual agreed income. This will be monitored as we progress through the first Plan and have actual costs on which to project more accurately in future years. The three year projections have a projected reserve balance at March 2014 of £97,200. The reserve balance is considered below in more detail.
- 4.13 The report to the Joint Committee in November 2009 (Report 14/2009: SDPA Budget Update and 3 Year Proposed Budget) highlighted a future budget pressure of an additional £6,250 per authority at 2014. Projections over the period to 2018 have been undertaken which takes the SDPA through to the decision on the second SDPA. These projections have helped inform the current 3 year projections, as set out in Appendix Three to this report. Given the efficiency savings which have been made it is not anticipated that additional contributions beyond the £60,000 will be required by the constituent Councils until 2018, unless there are unexpected higher costs relating to the examination, legal costs or future research. This risk has been minimised by incorporating reasonable costs within the projections.

#### Reserve Balance

- 4.14 A significant positive reserve balance is projected at the end of this current financial year of £156,000. As set out in para 4.4, the reserve balance will increase into 2011/12 if the Project Plan timescales are amended. Annually the balance is accrued with interest retained. Within TAYplan's first financial year (2008/09) the four constituent Councils made a contribution of £25,000 and this together with a one-off grant from the Scottish Government of £120,000 provided the start-up budget for the new Authority. In following years each Council has contributed £60,000 pa.
- 4.15 Over the past 3 financial years (including the current) significant savings have been made with less than originally anticipated being utilised for external consultancy (achieved largely through partnership working) and other smaller savings. The most significant costs projected within each cycle of producing a Strategic Development Plan relate to the examination, research to inform future Main Issues Report, printing, consultation, and legal fees.
- 4.16 The annual budget projections fluctuate aligned with the different stages of the Project Plan. The current reserve balance is projected to be reduced year on year through to March 2018 where there is likely to be a minimal amount. At March 2018 approval of the 2nd Strategic Development Plan is anticipated.
- 4.17 It is considered prudent to cap this reserve balance at £100,000 unless there are circumstances which justify otherwise. This will be considered annually at each Autumn Joint Committee.

#### *Justification for reserve balance 2010/11*

- 4.18 Carrying over the full reserve balance into 2011/12 financial year will ensure that there is sufficient funds for the examination of the Proposed Plan and any legal fees that may accrue in relation to this first Plan. To do otherwise, would require the 4 constituent Councils to increase their annual contributions within the next four years.

## **5 CONSULTATIONS**

- 5.1 The Treasurer and Clerk to TAYplan, the Director of Infrastructure Services, Angus Council, The Director of City Development, Dundee City Council, The Head of Development Services, Fife Council and the Executive Director (Environment), Perth & Kinross Council have been consulted and are in agreement with the contents of this report.

## **6 BACKGROUND PAPERS**

- 6.1 Report 07-2010: SDPA Budget Update, Joint Committee 31<sup>st</sup> August 2010.
- 6.2 Report 12-2009: SDPA Project Plan Update, Joint Committee 25<sup>th</sup> August 2009.
- 6.3 Report 06-2008: Proposed Staffing and Draft Budget for SDPA, Joint Committee 25<sup>th</sup> November 2008.
- 6.4 Report 14-2009: Budget Update and 3 Year Proposed Budget, Joint Committee 24<sup>th</sup> November 2009.

Pamela Ewen

Strategic Development Plan Authority Manager

12 November 2010

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING  
AUTHORITY**



**STATEMENT OF ACCOUNTS  
FOR PERIOD ENDED 31 MARCH 2010**

**AUDITED**

**SEPTEMBER 2010**

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**STATEMENT OF ACCOUNTS 2009/2010**

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**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**FOREWORD**

Strategic Development Planning Authorities (SDPA's) are new Joint Committees created by the Planning etc. (Scotland) Act 2006 and the Strategic Development Planning Authorities Designation (No 3) (Scotland) order 2008 (SSI no 197). The Act's provisions came into force on 25 June 2008.

The Dundee, Perth, Angus and North Fife Strategic Development Planning Authority was established under the above act consisting of the following Authorities:

Dundee City Council  
Perth & Kinross Council  
Angus Council  
Fife Council

The Strategic Development Planning Authority (SDPA) operates on behalf of Dundee City, Perth and Kinross, Angus and Fife Councils. The key role of the SDPA is to prepare and maintain an up to date Strategic Development Plan for the area. This process will involve engagement and consultation with a number of key stakeholder organisations and the wider community. When completed, the Strategic Development Plan will replace the existing Dundee and Angus Structure Plan 2002, the Perth and Kinross Structure Plan 2003 and the Fife Structure Plan 2006.

In addition each Council will have to prepare a Local Development Plan for their geographic area.

The Authority comprises 12 elected members: 3 each from Angus Council, Dundee City Council, Fife Council and Perth & Kinross Council. Which is supported by an officers group.

The SDPA has an establishment of three full-time staff, the SDPA Manager, Senior Planner and Planning Officer. (No permanent employees were appointed prior to 31 March 2009). Professional legal and financial services are provided by Dundee City Council in its role as host authority. The Finance Officer has scheduled meetings with the SDPA Manager to review accounts in relation to both the local authority contributions and the SDPA administration budget, in accordance with the financial regulations agreed by the Joint Committee.

Joint Committee Meetings are held quarterly, chaired by the Convener, on the following rotational basis:

<b>Year</b>	<b>Convener</b>	<b>Vice-Convener</b>
2008/9	Angus Council (Councillor David May)	Dundee City Council (Councillor Will Dawson)
2010	Dundee City Council (Councillor Will Dawson)	Fife Council (Councillor John Beare)
2011	Fife Council	Perth and Kinross Council
2012	Perth and Kinross Council	Angus Council

## STRATEGIC DEVELOPMENT PLANNING AUTHORITY PROJECT PLAN UPDATE

The project plan, as approved by The Joint Committee in August 2009 (Report SDPA 12-2009: SDPA Project Plan Update), continues to be delivered on time.

### Project Plan Update

The consultation on the Main Issues Report is being undertaken earlier than originally anticipated. The Proposed Plan, the next stage, will be submitted to The Joint Committee in February 2011, with an 8 week consultation period commencing in May 2011.

A report will be presented to the August Joint Committee providing an overview of the comments received to the Main Issues Report stage. The public events are ongoing during this consultation, with some Information events and workshops within secondary schools still to be undertaken. The consultation closes on 2nd July 2010.

The key stages in the project plan are:

- Main Issues Report consultation (12 weeks finishing on 2nd July 2010);
- Updating and undertaking any further research required to inform the Proposed Plan (June-September 2010);
- Processing and considering responses to the Main Issues Report, Environmental Report and other documents (July-August 2010);
- Prepare Proposed Plan, the Action Programme and related documents and assessments (from July 2010);
- Joint Committee consider Proposed Plan and related documents for formal consultation period (8 week period) (February 2011);
- Publish Proposed Plan and related documents together with formal response to comments on Main Issues Report (May 2011);
- Prepare note on representations/unresolved issues (August-September 2011);
- Joint Committee consider Proposed Plan and related documents for submission (November 2011);
- Submission of Proposed Plan and related documents to The Scottish Ministers (January 2012);
- Examination of Proposed Plan and Ministers consideration of examination report (January 2012-March 2013); and,
- The Scottish Ministers decision (April 2013).

Research to further inform the Proposed Plan

Further research is commencing to inform the Proposed Plan stage.

This primarily relates to transport modelling (in partnership with Transport Scotland and TACTRAN). In addition, work is progressing on how the Habitats Regulations Assessment will be undertaken in parallel with the Proposed Plan stage and the resourcing of this. The Habitats Regulations Assessment is a requirement through European legislation and will be carried out in consultation with Scottish Natural Heritage.



Pamela Ewen,  
Strategic Development Planning Authority Manager  
28 September 2010



**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**MEMBERS AND OFFICIALS**

The Authority comprises 12 elected members: 3 each from Angus Council, Dundee City Council, Fife Council and Perth & Kinross Council. The under-noted Councillors have been nominated by their constituent Authorities to serve on the Joint Authority and the under-noted officers would serve as officials of the Authority.

**Representing Dundee City Council**

Bailie Roderick A J Wallace  
Councillor Will Dawson (Convener)  
Councillor David Bowes



**Representing Perth & Kinross Council**

Councillor John Kellas  
Councillor Alan Jack  
Councillor Ann Gaunt



**Representing Fife Council**

Councillor Donald Lothian  
Councillor Tony Martin  
Councillor John Beare (Vice Convener)



**Representing Angus Council**

Councillor David May  
Councillor Iain Gaul  
Councillor Bob Myles



**SDPA MANAGER**    Mrs Pamela Ewen

**CLERK**                Ms Patricia McIlquham LLB Dundee City Council

**TREASURER**        Mrs Marjory M Stewart FCCA, CPFA , Dundee city Council

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# DUNDEE, PERTH, ANGUS AND NORTH FIFE STRATEGIC DEVELOPMENT PLANNING AUTHORITY

## TREASURER'S REPORT

### Introduction

This report is intended as a commentary on the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority's financial position, as presented within the Statement of Accounts for the financial year 2009/2010.

### Accounting Policies (see page 6)

The Statement of Accounting Policies sets out the basis upon which the Financial Statements have been prepared, and explains the accounting treatment of both general and specific items.

### Statement of Responsibilities for the Statement of Accounts (see page 7)

This statement sets out the main financial responsibilities of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority, and the Treasurer.

### The Accounting Statements (see pages 8 to 12)

#### *Income & Expenditure Account:*

Sets out the budgeted and actual income receivable and expenditure incurred in operating the Authority for the year. Both income and expenditure are measured using essentially the same accounting conventions (i.e. UK General Accepted Accounting Practice (UKGAAP)) that a large (but unlisted) company would use in preparing its financial statements.

#### *Balance Sheet:*

Shows the overall financial position of the Authority as at 31 March 2010

#### *Cash Flow Statement:*

Details the inflows and outflows of cash arising from transactions.

#### *Notes to the Core Financial Statements:*

Are intended to give the reader further information which is not separately detailed in the core financial statements.

### Statement on the System of Internal Financial Control (see page 13)

This statement sets out the framework within which financial control is managed and reviewed. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

### Revenue Expenditure

The following table compares the budget and requisitions approved by the Joint Authority to actual expenditure and income of the Joint Authority.

2008/2009 Actual Expenditure/ (Income) £000		2009/2010 Revised Budget £000	2009/2010 Actual Expenditure/ (Income) £000	2009/2010 Variance £000
41	Staff Costs	155	145	(10)
0	Property Costs	16	11	(5)
25	Supplies & Services	47	51	4
0	Transport Costs	4	1	(3)
8	Third Party Payments	50	35	(15)
0	Support Services Costs	8	8	0
<u>74</u>	<b>Gross Expenditure</b>	<u>280</u>	<u>251</u>	<u>(29)</u>

2008/2009 Actual Expenditure/ (Income) £000		2009/2010 Revised Budget £000	2009/2010 Actual Expenditure/ (Income) £000	2009/2010 Variance £000
<b>74</b>	<b>Gross Expenditure</b>	<b>280</b>	<b>251</b>	<b>(29)</b>
	<b>Income</b>			
(120)	Scottish Govt Start up Grant	-	-	-
(100)	Authorities Contributions	(240)	(240)	-
—	Other Income	=	(1)	(1)
<b>(220)</b>	<b>Total Income</b>	<b>(240)</b>	<b>(241)</b>	<b>(1)</b>
<b>(146)</b>	<b>Net (Surplus)/Deficit</b>	<b>40</b>	<b>10</b>	<b>(30)</b>

The reasons for the main under/overspends are explained in the variance analysis below:

*Staff Costs (Underspend £10,000)*  
Recruiting delays and staff turnover.

*Property Costs (Underspend £5,000)*  
Due to rental charges less than anticipated.

*Supplies and Services (Overspend £4,000)*  
The main reason being that the general change in timescale of project has brought forward the printing of its reports.

*Third Party Payments (Underspend £15,000)*  
The cost of commissioning survey has been lower than anticipated.

### **Control of Revenue Expenditure**

The control of the revenue expenditure of the Authority is an ongoing exercise which requires a positive contribution from the staff and members of the Authority and the Constituent Local Authorities to ensure that the Authority's financial objectives are achieved and those financial resources are fully utilised.

### **Capital Expenditure**

During 2009/2010 the Authority did not incur any capital expenditure. (A de minimis level of £5,000 has been set.)

### **General Fund**

This represents the balances available to the Joint Committee which are not earmarked for specific purposes.

### **Acknowledgements**

During the 2009/2010 financial period, the Authority's financial position has required strict budgetary control. I would like to thank the Authority's Chief Officer and the staff within the Constituent Local Authorities for their active support and co-operation in the effective management of the Authority's finances since the inception of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority. Finally, I would conclude the report by thanking all staff who have contributed to the preparation of the Authority's Annual Accounts.

*M M Stewart*

Marjory Stewart, FCCA, CPFA  
Treasurer  
Dundee, Perth, Angus and North Fife  
Strategic Development Planning Authority  
28 September 2010

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**STATEMENT OF ACCOUNTING POLICIES**

**General**

The Financial Statements are intended to "present a true and fair view" the financial position and transactions of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority. They have thus been prepared in accordance with:

- The "Code of Practice on Local Authority Accounting in the United Kingdom 2009 - A Statement of Recommended Practice" (the SORP), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LA(S)AAC).
- The Best Value Accounting Code of Practice 2008.

The Financial Statements have also been prepared in accordance with the fundamental accounting principles and pervasive concepts identified in FRS 18 (Accounting Policies), i.e. relevance, reliability, comparability, understandability, materiality, accruals, going concern and primacy of legislative requirements. The historical cost accounting convention has been adopted in preparation of the Financial Statements.

**Government Grants**

Government grants are accounted for on an accruals basis and income has been credited to the Income and Expenditure Account.

**Revenue Transactions**

Revenue transactions are recorded in the accounts on an income and expenditure basis i.e. recognised as they are earned or incurred, not as money is received or paid. All specific and material sums payable to and due by the Authority as at 31 March 2010 have been brought to account. The recognition and measurement of income is in accordance with the Application Note to Financial Reporting Standard 5 concerning "Revenue Recognition".

**Pension Costs**

Dundee City Council is, for the purpose of employment law, the "employing authority" of the Joint Committee employees. Therefore, employees participate in the Local Government Pension Scheme, which is a defined benefits scheme related to pay and service. On the grounds of materiality, the pension costs included in the accounts have not been determined in accordance with Financial Reporting Standard 17 (Retirement Benefits).

**Exceptional Items**

Exceptional items are ones that are material in terms of the Authority's overall expenditure and are not expected to occur frequently or regularly. Exceptional items are shown separately in the Income and Expenditure Account if that degree of prominence is necessary in order to give a fair presentation of the accounts. Further details are provided in the Notes to the Core Financial Statements.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

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

**The Authority's responsibilities**

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

**The Treasurer's responsibilities**

The Treasurer is responsible for the preparation of the Authority's statement of accounts in accordance with proper practices set out in the CIPFA/LA(S) AAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice;
- kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.
- Made arrangements for the propriety and regularity of the public finances (i.e. all funds falling within the stewardship of the Authority) of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority for which she is answerable.
- Signed the accounts and been responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with the guidance issued by the Scottish Ministers.

The Statement of Accounts present a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2010.



Marjory M Stewart FCCA, CPFA  
Treasurer  
Dundee, Perth, Angus and North Fife  
Strategic Development Planning Authority  
28 September 2010

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**INCOME & EXPENDITURE ACCOUNT**

2008/2009 Actual Expenditure/ (Income) £000			2009/2010 Budgeted Expenditure/ (Income) £000	2009/2010 Actual Expenditure/ (Income) £000
	<b>Expenditure</b>	<b>Notes</b>		
41	Staff Costs		155	145
-	Property Costs		16	11
25	Supplies & Services		47	51
-	Transport Costs		4	1
8	Third Party Payments		50	35
-	Support Services Costs		<u>8</u>	<u>8</u>
<u>74</u>	<b>Gross Expenditure</b>		<u>280</u>	<u>251</u>
	<b>Income</b>			
(120)	Scottish Government Grant		-	-
-	Other Income		-	<u>(1)</u>
<u>(46)</u>	<b>Net Cost of Services</b>		280	250
<u>(100)</u>	Requisition Local Authorities	7	<u>(240)</u>	<u>(240)</u>
<u>(146)</u>	<b>(Surplus)/Deficit for the Year</b>		<u>40</u>	<u>10</u>

All recognised gains and losses for the period have been included in the Income & Expenditure Account. There is, therefore, no requirement to prepare a separate Statement of Total Recognised Gains & Losses, and Statement of Movement in General Fund Balance.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**BALANCE SHEET**

As at 31 March 2009 £000		As at 31 March 2010 £000
	<b>Current Assets</b>	
176	Sundry Debtors - Dundee City Council	138
-	Sundry Debtors - Prepayment	3
176		141
	<b>Less Current Liabilities</b>	
<u>(30)</u>	Sundry Creditors	<u>(4)</u>
<u>146</u>	<b>Total Net Assets</b>	<u>137</u>
	<b>Represented By:</b>	
<u>146</u>	<b>General Fund</b>	<u>137</u>

*M M Stewart*

Marjory M Stewart FCCA, CPFA  
Treasurer  
Dundee, Perth, Angus and North Fife  
Strategic Development Planning Authority

The unaudited accounts were issued on 30 June 2010 and the audited accounts were authorised for issue on 28 September 2010.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**CASH FLOW STATEMENT**

<b>2008/2009</b>		<b>2009/2010</b>	
		<b>£000</b>	<b>£000</b>
	<i>Cash Outflows</i>		
41	Cash Paid To and On Behalf of Employees	146	
<u>28</u>	Other Operating Cash Payments	<u>109</u>	
<u>69</u>			<u>255</u>
	<i>Cash Inflows</i>		
(120)	Government Grant	-	
<u>(125)</u>	Local Authorities Contribution	<u>(215)</u>	
<u>(245)</u>			<u>(215)</u>
(176)	NET CASH (INFLOW) / OUTFLOW FROM REVENUE ACTIVITIES		40
	<b>Returns on Investments and Servicing of Finance</b>		
-	<i>Cash Outflows</i>	-	
=	<i>Cash Inflows -Interest Receivable</i>	<u>(1)</u>	
-	<b>Capital Activities</b>		(1)
-	<i>Cash Outflows</i>	-	
=	<i>Cash Inflows</i>	<u>-</u>	
(176)	NET CASH (INFLOW) / OUTFLOW BEFORE FINANCING		39
-	<b>Management of Liquid Resources</b>		-
	<b>Financing</b>		
-	<i>Cash Outflows</i>	-	
=	<i>Cash Inflows</i>	<u>-</u>	
<u>(176)</u>	<b>Net (Increase)/Decrease in Cash</b>		<u><u>39</u></u>

The Cash is part of the debtors balance, and is managed by Dundee City Council

Further details relating to the Cash Flow Statement are provided in Note 12 on page 12



**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**NOTES TO THE CORE FINANCIAL STATEMENT**

**1. ACQUIRED AND DISCONTINUED OPERATIONS**

In 2009/2010 there were no acquired or discontinued operations (2008/2009 None).

**2. EXCEPTIONAL AND EXTRAORDINARY ITEMS**

In 2009/2010 there were no exceptional or extraordinary items (2008/2009 None).

**3. MEMBERS ALLOWANCES**

Payment of salaries, allowances and expenses are made under the Local Government (Scotland) Act 2004 (Remuneration) Regulations 2007, the Local Government (Allowances and Expenses) (Scotland) Regulations 2007, and the Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007. In 2009/2010 there were no payments made to the members of the Joint Authority for any of these items (2008/2009 None).

**4. PENSION COSTS**

Dundee City Council administers the Tayside Superannuation Fund on behalf of various Scheduled and Admitted Bodies. In 2009/2010, the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority, paid an employer's contribution of £14,670 (2008/2009 £5,204) into the Tayside Superannuation Fund which represents 18.5% of pensionable pay (2008/2009 18.8%) of the SDPA Manager and Senior Planner. The contribution rate was determined by the Fund's Actuary based on the triennial actuarial valuation at 31 March 2008 with the resultant revised contribution rates effective from 1 April 2009. Under Superannuation Regulations contribution rates are set to meet 100% of the overall liabilities of the Fund.

**5. OFFICERS REMUNERATION**

The following table shows the number of employees whose total remuneration fell within the specified banding:

<b>Number of Employees 2008/2009</b>	<b>Salary Banding (£)</b>	<b>Number of Employees 2009/2010</b>
-	50,000-59,999	1

**6. EXTERNAL AUDIT FEES**

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Authority is required to submit statutory accounts for audit. The Auditor General for Scotland has advised that the auditor of the Authority will be Audit Scotland. The total fee payable to Audit Scotland for 2009/2010 for external audit services is £3,100 (2008/2009 £4,400).



## 7. RELATED PARTIES - TRANSACTIONS

Angus, Dundee City, Perth & Kinross and Fife Councils are considered to be related parties of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority, in terms of the Accounting Code of Practice. During the 2009/2010 financial year, the Authority entered into the following transactions with these four Councils:

<b>2008/2009 Income From £000</b>		<b>2009/2010 Income From £000</b>
	<b>Angus Council</b>	
<u>25</u>	Local Authority Contribution	<u>60</u>
<u>25</u>		<u>60</u>
	<b>Dundee City Council</b>	
25	Local Authority Contribution	60
-	Interest On Revenue Balances	1
<u>25</u>		<u>61</u>
	<b>Perth &amp; Kinross Council</b>	
<u>25</u>	Local Authority Contribution	<u>60</u>
<u>25</u>		<u>60</u>
	<b>Fife Council</b>	
<u>25</u>	Local Authority Contribution	<u>60</u>
<u>25</u>		<u>60</u>

## 8. PENSION ASSETS AND LIABILITIES

Under Financial Reporting Standard 17 (Retirement Benefits), the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority is required to include figures in its Statement of Accounts relating to assets, liabilities, income and expenditure of the pension scheme for its employees. Dundee City Council is, for the purpose of employment law, the "employing authority" for Dundee, Perth, Angus and North Fife Strategic Development Planning Authority. The Authority had two superannuated employees in 2009/2010. On materiality grounds, a separate actuarial valuation for FRS 17 purposes has not been commissioned.

## 9. CONTINGENT ASSETS AND LIABILITIES

No contingent assets or liabilities existed at 31 March 2010 (2008/2009 None).

## 10. BALANCES WITH RELATED PARTIES

Angus, Dundee City, Perth & Kinross and Fife Councils are considered to be related parties of the Strategic Development Planning Authority, in terms of the Accounting Code of Practice. The outstanding balances between the Authority and its related parties as at 31 March 2010.

<b>31 March 2009 Balances £000</b>		<b>31 March 2010 Balances £000</b>
176	<b>Dundee City Council</b>	141

#### 11. POST BALANCE SHEET EVENTS

There were no events that occurred between 1 April 2010 and 28 September 2010 that would require adjustment to the 2009/2010 financial statements (2008/2009 None). The latter date is the date on which the audited accounts were signed and authorised for issue by the Treasurer.

#### 12. RECONCILIATION OF REVENUE ACCOUNT SURPLUS/DEFICIT TO NET CASH FLOW FROM REVENUE ACTIVITIES

2008/2009 £000		2009/2010 £000
146	Surplus/(Deficit) for year per Income & Expenditure Account	(10)
-	<b>Non Cash Transactions</b>	-
	<b>Items on an Accruals Basis</b>	
	Decrease/(Increase) in Debtors	(3)
<u>30</u> 30	(Decrease)/Increase in Creditors	<u>(26)</u>
		(29)
	<b>Items Classified Elsewhere in the Cash Flow Statement</b>	
-	Interest Receivable	(1)
<u>176</u>	<b>NET CASH INFLOW/(OUTFLOW) FROM REVENUE ACTIVITIES</b>	<u>(40)</u>

#### 13. FINANCIAL INSTRUMENTS

The Authority does not have any Financial Instruments that require to be re-measured and disclosed under Financial Reporting Standards 25, 26 and 29 (2008/2009 None).

#### 14. LEASES - DISCLOSURE BY LESSEES

##### Finance Leases

The Authority held no assets on finance lease during 2009/2010 and accordingly, there were no finance lease rentals paid to lessors during 2009/2010 (2008/2009 Nil). The Authority has no commitments to making payments to lessors in respect on finance leases.

##### Operating Leases

Operating lease rental payments of £10,643 were made during 2009/2010 (2008/2009 Nil). These relate to asset categories Other Land and Buildings.

In respect of operating lease, the Authority is committed to making payments to lessors of £14,190 in 2010/11 on a lease expiring after 2014/2015.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL**

This statement is given in respect of the 2009/2010 Statement of Accounts for the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority (the Authority). We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by staff of the Authority and staff and senior officials within the Constituent Local Authorities (the Authorities). In particular, the system includes:

- comprehensive revenue budgeting systems;
- the preparation of regular monitoring reports which indicate actual and projected expenditure against budget;
- annual financial reports which indicate actual financial performance against budget
- clearly defined standing orders

The Authority operates the corporate financial systems of Dundee City Council. These systems are subject to review by both the Council's internal audit service and the Council's external auditor.

In conclusion, we are not aware of any significant weaknesses or failures in the Authority's system of internal financial control that could have a material effect on the operations of the Authority.



Marjory M Stewart, FCCA , CPFA  
Treasurer  
Dundee, Perth, Angus and North Fife  
Strategic Development Planning  
Authority  
28 September 2010



Pamela Ewen  
SDPA Manager  
Dundee, Perth, Angus and North Fife  
Strategic Development Planning  
Authority  
28 September 2010

## **INDEPENDENT AUDITOR'S REPORT**

### **Independent auditor's report to the members of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority Joint Committee (TAYplan) and the Accounts Commission for Scotland**

I certify that I have audited the financial statements of TAYplan for the period ended 31 March 2010 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Income and Expenditure Account, Balance Sheet and Cash-Flow Statement and the related notes and the Statement of Accounting Policies. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **Respective responsibilities of the Treasurer and auditor**

The Treasurer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 20098 - A Statement of Recommended Practice (the 2009 SORP) are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland.

I report my opinion as to whether the financial statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2009 SORP, and have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

I also report to you if, in my opinion, the local government body has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the Statement on the System of Internal Financial Control reflects compliance with the SORP, and I report if, in my opinion, it does not. I am not required to consider whether this statement covers all risk and controls, or form an opinion on the effectiveness of the local government body's corporate governance procedures or its risk and control procedures.

I read the other information published with the financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises the Foreword, details of Members and Officials and the Treasurer's Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## **Basis of audit opinion**

I conducted my audit in accordance with Part VII of the Local Government (Scotland) Act 1973 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Treasurer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Joint Committee's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In my opinion the financial statements

- give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2009 SORP, of the financial position of TAYplan as at 31 March 2010 and its income and expenditure for the period then ended; and
- have been properly prepared in accordance with the Local Government (Scotland) Act 1973.



Alasdair Craik  
Senior Audit Manager  
Audit Scotland  
Osborne House  
1/5 Osborne Terrace  
Edinburgh  
EH12 5HG

28 September 2010



**STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**MANAGEMENT ACCOUNTS FOR YEAR ENDING 31 MARCH 2010**

<b>Actual 2008/2009 £</b>		<b>Budget 2009/2010 £</b>	<b>Actual 2009/2010 £</b>
	<b>EXPENDITURE</b>		
	<b>STAFF COSTS</b>		
34,840	SALARIES AND WAGES	152,000	137,561
6,334	OTHER STAFF COST	3,000	7,169
<u>41,174</u>	<b>TOTAL STAFF COSTS</b>	<u>155,000</u>	<u>144,730</u>
	<b>PROPERTY COST</b>		
-	RENT	16,000	11,221
<u>-</u>	<b>TOTAL PROPERTY COSTS</b>	<u>16,000</u>	<u>11,221</u>
	<b>SUPPLIES &amp; SERVICES</b>		
-	BOOKS & MATERIALS	500	165
26	STATIONERY	4,000	3,034
-	OFFICE FURNITURE & EQUIPMENT	8,000	10,108
18,889	COMPUTER CONSUMABLES (inc. licences)	15,000	12,384
-	PRINTING	6,000	15,377
1,037	PHOTOCOPYING	-	110
-	POSTAGES	50	760
31	TELEPHONES	2,000	324
-	LEGAL FEES	1,000	906
-	ADVERTISING	5,200	3,540
4,500	AUDIT	4,500	3,000
5	HOSPITALITY	750	1,795
<u>24,488</u>	<b>TOTAL SUPPLIES &amp; SERVICES</b>	<u>47,000</u>	<u>51,503</u>
	<b>TRANSPORT COSTS</b>		
	CAR ALLOWANCES	1,000	679
106	OTHER TRANSPORT COSTS	3,000	458
<u>106</u>	<b>TOTAL TRANSPORT COSTS</b>	<u>4,000</u>	<u>1,137</u>
	<b>THIRD PARTY PAYMENTS</b>		
-	EXTERNAL CONSULTANTS	50,000	34,502
<u>7,800</u>	<b>TOTAL THIRD PARTY PAYMENTS</b>	<u>50,000</u>	<u>34,502</u>
	<b>SUPPORT SERVICES</b>		
-	RECHARGE FROM CENTRAL DPTS(LEGAL ETC)	8,000	8,000
<u>-</u>	<b>TOTAL SUPPORT SERVICES</b>	<u>8,000</u>	<u>8,000</u>
<u><b>73,568</b></u>	<b>TOTAL GROSS EXPENDITURE</b>	<u><b>280,000</b></u>	<u><b>251,093</b></u>
	<b>INCOME</b>		
-	IORB	-	786
-	MISC INCOME	-	478
120,000	CONTRIBUTIONS SCOTTISH EXEC	-	-
100,000	CONTRIBUTIONS LOCAL AUTHORITIES	240,000	240,000
<u><b>220,000</b></u>	<b>TOTAL INCOME</b>	<u><b>240,000</b></u>	<u><b>241,264</b></u>
<u><b>-146,432</b></u>	<b>TOTAL NET EXPENDITURE</b>	<u><b>40,000</b></u>	<u><b>9,829</b></u>
146,432	TRANSFER TO (FROM ) RESERVE	(40,000)	(9,829)
-	RESERVE BALANCE	146,432	146,432
146,432	TRANSFER TO (FROM)	(40,000)	(9,829)
<u><b>146,432</b></u>	<b>RESERVE BALANCE C/F</b>	<u><b>106,432</b></u>	<u><b>136,603</b></u>

# Dundee, Perth, Angus and North Fife Strategic Development Planning Authority Joint Committee (TAYplan)

**Report to Members and the Controller of Audit  
on the 2009/10 Audit**

**October 2010**



 **AUDIT SCOTLAND**



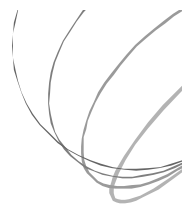


# Dundee, Perth, Angus and North Fife Strategic Development Planning Authority Joint Committee (TAYplan)

**Report to Members and the Controller of Audit  
on the 2009/10 Audit**

# Contents

Key Messages	2	Corporate governance	7
Introduction	3	Appendix A: Action Plan	8
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# Key Messages

In 2009/10 we have audited the financial statements and looked at aspects of governance within TAYplan. This report sets out our main findings.

Overall, we found the financial stewardship of TAYplan during the year to be satisfactory. The main conclusions and outcomes from the audit are highlighted below:

- an unqualified opinion has been issued on the financial statements for 2009/10
- the statement on the system of internal financial control included in the accounts complies with accounting requirements and is not inconsistent with audit findings
- final accounts preparation procedures and working papers were good and this enabled the audit to progress smoothly
- many aspects of a sound corporate governance framework are in place
- a fraud strategy and written procedures for investigating suspected fraud are in place.

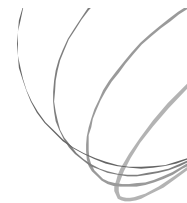
TAYplan operates the corporate financial systems of Dundee City Council under a service level agreement. As external auditor of the council, we have also been able to take assurance from our work on these systems.

The financial challenges facing the public sector are well documented, with public sector bodies facing deep and prolonged cuts in funding. Whilst there remains uncertainty about the impact of these cuts on the TAYplan it will not be immune from them and will need to identify ways of delivering services with decreasing levels of income.

The co-operation and assistance given to us by TAYplan members, officers and staff is gratefully acknowledged.

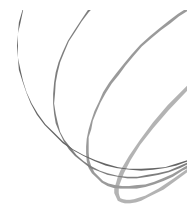


**October 2010**



# Introduction

1. This report summarises our findings from our 2009/10 audit of TAYplan. The scope of our audit was set out in our audit plan issued in March 2010.
2. The financial statements of the committee are the means by which it accounts for its stewardship of the resources available to it and its financial performance in the use of those resources. It is the responsibility of the committee to prepare financial statements that give a true and fair view of the financial position and expenditure and income of the board the year.
3. The members and officers of TAYplan are responsible for the management and governance of the organisation. As external auditors, we review and report on the arrangements in place and seek to gain assurance that:
  - the financial statements have been prepared in accordance with statutory requirements and that proper accounting practices have been observed
  - TAYplan's system of recording and processing transactions provides an adequate basis for the preparation of the financial statements and the effective management of assets and interests
  - TAYplan has adequate corporate governance arrangements which reflect the three fundamental principles of openness, integrity and accountability
  - the systems of internal control provide an appropriate means of preventing or detecting material mis-statement, error, fraud or corruption; and
  - TAYplan has proper arrangements for securing best value in its use of resources.



# Financial statements

## Introduction

4. In this section we summarise key outcomes from our audit of the board's financial statements for 2009/10 and aspects of TAYplan's reported financial performance, and provide an outlook on future financial reporting issues.

## Audit Opinion

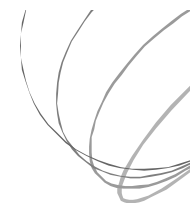
5. We have given an unqualified on the financial statements of TAYplan for 2009/10, concluding that the statements:
  - give a true and fair view, in accordance with relevant legal and regulatory requirements and the 2009 SORP, of the financial position of the joint board as at 31 March 2010 and its income and expenditure for the year then ended
  - have been prepared properly in accordance with Local Government (Scotland) Act 1973.

## Financial position

6. TAYplan's Income and Expenditure Account shows a net deficit of £10,000 for the period compared to a budgeted deficit of £40,000. This is due to underspends on staffing, third party payments, property costs and supplies and services in year.

## Issues arising

7. TAYplan's financial statements were submitted to the Controller of Audit by the deadline of 30 June. Final accounts preparation procedures and working papers were good and this enabled the audit to progress smoothly.
8. Local authorities in Scotland are required to follow the Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice (the 'SORP'). Overall we were satisfied that TAYplan had prepared the accounts in accordance with the SORP.
9. We note that no provision has been made in the accounts for pension liabilities under Financial Reporting Standard (FRS)17 – retirement benefits. We understand the reasons for this to be the immateriality of any such provision, as well as the cost involved in obtaining a FRS17 valuation from the actuary. Although TAYplan only employs three members of staff, there is a risk that, over time, pension liabilities will become significant and that the accounts will be misstated, therefore the joint committee may wish to keep this area under review.



10. Audited accounts were finalised prior to the target date of 30 September 2010 and are now available for presentation to the joint board and publication.

## **Legality**

11. Through our planned audit work we consider the legality of the joint committee's financial transactions. In addition the Treasurer confirmed that, to the best of her knowledge and belief, and having made appropriate enquiries of the members and officers of TAYplan, the financial transactions of the joint committee were in accordance with relevant legislation and regulations.
12. There are no additional legality issues arising from our audit which require to be brought to members' attention.

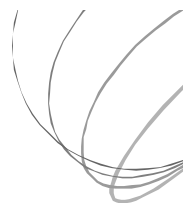
## **Statement on the system of internal financial control**

13. Scottish authorities are required by the local authority SORP to include a statement on the system of internal financial control with their statement of accounts. The 2009/10 financial statements include a Statement on the System of Internal Financial Control which highlights the Treasurer's view that the reasonable assurance can place reliance upon the effectiveness of the TAYplan's financial systems.
14. TAYplan operates the corporate financial systems of Dundee City Council. The statement highlighted that assurance had been taken from the work done by Dundee City Council's internal audit service on these corporate financial systems. The statement complies with accounting requirements and is not inconsistent with the findings of our audit.

## **Financial reporting outlook**

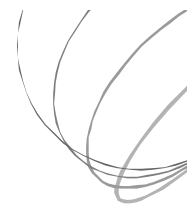
### **Financial planning**

15. The financial challenges facing the Scottish public sector are well documented, with public bodies facing deep and prolonged cuts in funding. In June 2010 the new UK Government set out an Emergency Budget, planning for a period of significant fiscal consolidation. It immediately implemented £6 billion of UK budget reductions. The Scottish Government agreed that it would defer its share of these 2010/11 cuts (estimated at £332 million) until 2011/12, and will have to implement these alongside continuing reductions in the Scottish budget.
16. There remains uncertainty about what the financial implications for TAYplan will be. The UK Government published its comprehensive spending review on 20 October and the Scottish Government will publish the results of its own review in late November. A key issue will be the extent to which some priority services, particularly health, may be protected from budget reductions. The settlement for local government is not expected to be finally known until January 2011.



17. TAYplan will not be immune from the financial pressures upon its constituent councils. It will need robust information about activity, costs and performance to identify ways of more effectively delivering services with decreasing levels of income. The joint board may wish to consider developing a “recession impact action plan” to help address the future funding difficulties.

***Action plan 1***



# Corporate governance

18. In this section we comment on key aspects of TAYplan's governance arrangements during 2009/10 and provide an outlook on future governance issues.

## Overview

19. Corporate governance is concerned with structures and processes for decision making, accountability, control and behaviours at the upper levels of the organisation. In the Statement on the System of Internal Financial Control, TAYplan reported that it has a "framework of regular management information, financial regulations, administrative procedures (including segregation of duties) management supervision and a system of delegation and accountability."
20. A formal Minute of Agreement is in place with the constituent authorities.

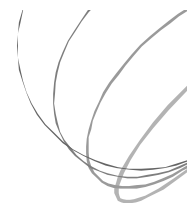
## Anti-fraud and corruption arrangements

21. TAYplan uses the arrangements in place at Dundee City Council for the prevention and detection of fraud and corruption which include an anti-fraud and corruption policy and response plan, a whistle blowing policy, malicious allegation policy and codes of conduct for elected members and staff. We noted last year that governance arrangements specific to TAYplan were being developed and these should include anti-fraud and corruption arrangements. We are now advised that the Financial Regulations of Dundee City Council, which cover anti-fraud and corruption arrangements, are viewed as the overarching framework.

## Systems of internal control

22. TAYplan uses Dundee City Council's main financial systems for its operations. As external auditors of the council we have reviewed these systems and have been able to take assurance from this work. We were advised that a service level agreement with Dundee City Council to provide the TAYplan's support services would be approved in 2009/2010. We note that following consultation, Dundee City Council's Legal Department has advised that no service level is required as TAYplan is a joint committee and not a separate third party organisation.





# Appendix A: Action Plan

## Key Risk Areas and Planned Management Action

Action Point	Refer Para No	Risk Identified	Planned Management Action	Responsible Officer	Target Date
1	17	<b>Financial planning</b> TAYplan will not be immune from the financial pressures upon its constituent councils. It will need robust information about activity, costs and performance to identify ways of more effectively delivering services with decreasing levels of income. <b><i>Risk: TAYplan is unable to meet expenditure commitments from available income.</i></b>	Officers have already reviewed the longer term financial plans . A report will be brought to the Joint Committee once the impact of the Local Government settlement is known.		

	10/11 Projected Expenditure (£)	10/11 Ledger (£)	10/11 Committed (£)	10/11 Base Budget (£)	Projected Variance (£)	11/12 Projected	12/13 Projected	13/14 Projected
GROSS PAY	106,102	61,893		120,000	(13,898)	112,909	116,364	118,937
SUPERANNUATION	19,630	11,451		22,000	(2,370)	20,888	21,527	22,003
NATIONAL INSURANCE	8,684	5,065		10,000	(1,316)	9,229	9,576	9,843
STUDENTS/TEMPORARY/CASUAL STAFF	3,500	2,860		3,000	500	3,000	3,000	3,000
RELOCATIONS				0	0	0	0	0
				0	0			
TRAINING/CONF/OTHER STAFF EXPENSES	2,000	970		4,000	(2,000)	2,000	2,000	2,000
	138,916	82,239	0	159,000	(18,084)	148,026	152,467	155,763
<b>TS</b>								
RENT	14,269	10,643		14,200	69	14,300	14,300	14,300
	14,269	10,643	0	14,200	69	14,300	14,300	14,300
<b>VICES</b>								
BOOKS & MATERIALS	250	86	0	250	0	200	200	200
STATIONERY	3,500	1,124	200	4,000	(500)	3,500	3,500	3,000
OFFICE FURNITURE & EQUIPMENT	1,000	392		1,000	0	1,000	1,000	1,000
COMPUTER CONSUMABLES inc. licences	10,500	6,572	20	10,000	500	10,500	10,750	10,750
PRINTING & PHOTOCOPYING	18,000	638	0	18,000	0	11,000	11,000	11,000
POSTAGES	1,500	201		1,500	0	1,500	1,500	1,500
TELEPHONES	500	100	180	500	0	500	500	500
LEGAL FEES	0	0	0	0	0	0	15,000	0
ADVERTISING	8,000	7,346	0	8,000	0	12,000	7,000	4,000
AUDIT	3,100	0	70	3,000	100	3,100	3,100	3,100
HOSPITALITY	1,800	461	0	1,800	0	1,000	1,000	1,000
VENUE HIRE	1,200	492	0	1,200	0	1,200	200	300
EXAMINATION	0	0	0	0	0	0	55,000	0
	49,350	17,412	470	49,250	100	45,500	109,750	36,350
<b>STS</b>								
CAR ALLOWANCES	1,250	789		1,000	250	1,250	1,250	1,000
OTHER TRANSPORT COSTS	1,500	530		3,000	(1,500)	1,500	1,500	1,500
	2,750	1,319	0	4,000	(1,250)	2,750	2,750	2,500
<b>MENTS</b>								
EXTERNAL CONSULTANTS	18,000	14,200		50,000	(32,000)	15,000	15,000	30,000
	18,000	14,200	0	50,000	(32,000)	15,000	15,000	30,000
<b>CES</b>								
RECHARGE FROM CENTRAL DPTS (LEGAL et	8,000		0	8,000	0	8,000	8,000	8,000
	8,000	0	0	8,000	0	8,000	8,000	8,000
<b>TOTAL GROSS EXPENDITURE</b>	<b>232,285</b>	<b>125,813</b>	<b>470</b>	<b>284,450</b>	<b>(52,165)</b>	<b>233,576</b>	<b>302,267</b>	<b>246,933</b>
CONTRIBUTIONS LA	240,000	240,000	0	240,000	0	240,000	240,000	240,000
SALE OF DOCUMENTS	300	300	0	0	300	200	300	200
INTEREST ON REVENUE BALANCES	1,000	0	0	0	1,000	1,000	1,000	800
RESEARCH STUDY CONTRIBUTIONS	10,825	10,825	0	0	0	0	0	0
TOTAL INCOME	252,125	251,125	0	240,000	1,300	241,200	241,300	241,000
<b>NET EXPENDITURE</b>	<b>(19,840)</b>	<b>(125,312)</b>	<b>0</b>	<b>44,450</b>	<b>(63,465)</b>	<b>(7,624)</b>	<b>60,967</b>	<b>5,933</b>
Opening Reserve Balance	136,603			136,603	0	156,443	164,067	103,100
Transfer To / (From) Reserve	19,840			(44,450)	64,290	7,624	(60,967)	(5,933)
Balance Carried Forward	156,443			92,153	64,290	164,067	103,100	97,167