

**REPORT TO:** DUNDEE, PERTH, ANGUS AND NORTH FIFE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY  
JOINT COMMITTEE MEETING ON 24<sup>th</sup> NOVEMBER 2009

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

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

**REPORT NO:** SDPA14-2009

## **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 2009 and a proposed 3 year budget to the period 31<sup>st</sup> March 2013 is set out.

## **2 RECOMMENDATION**

- 2.1 It is recommended that The Joint Committee:
- a) Note the audited accounts for year ending 31<sup>st</sup> March 2009 as set out in Appendix One;
  - b) Report to Members and the Controller of Audit on the 2008/09 Audit as set out in Appendix Two;
  - c) Note the current budget projections for current year ending 31<sup>st</sup> March 2010 as set out in Appendix Three; and,
  - d) Approve the 3 year budget to 31<sup>st</sup> March 2013 as set out Appendix Three.

## **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 2009
- 4.1 The unaudited accounts for the previous financial year were reported to the last Joint Committee in August 2009 (Report 13-2009: SDPA Budget Update). The accounts have now been audited (see Appendix One to this report).
- 4.2 The Report to members details one item on the action plan which has already been addressed (see Appendix Two to this report).

Budget update for current year ending 31<sup>st</sup> March 2010

- 4.3 An update from the quarterly report to the previous Committee (Report 13-2009: SDPA Budget Update) is set out in Appendix Three to this report. Some additional savings are projected in this financial year of £31,500. The projected balance is £138,000 which would be carried over to 2010/11.
- 4.4 Savings have primarily been made in a reduction in costs relating to the initial consultation and in setting the office up. Additional temporary staff resource has been utilised to assist in delivering the project plan to present the Main Issue Report to The Joint Committee on 16th February 2010.

Proposed 3 year budget to 31<sup>st</sup> March 2013

*Context*

- 4.5 At the Joint Committee in August 2009 a revised project plan was agreed (Report 12-2009: SDPA Project Plan Update) which anticipates approval of the first Strategic Development Plan in April 2013.
- 4.6 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*

- 4.7 The projected budget for this current financial year is £250,000. For the following three years it is:
- |         |          |
|---------|----------|
| 2010/11 | £262,000 |
| 2011/12 | £253,000 |
| 2012/13 | £339,000 |

- 4.8 Appendix Three provides the detailed breakdown of the three year projections. Over the period to 31<sup>st</sup> March 2013 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 and the examination process. The later 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*

- 4.9 Within the context of wider budget pressures, these three year projections are presented as the most realistic with little surplus. 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 £30,000, £20,000 and £40,000 over the following three years. If external research requirements exceed this budget financial contributions will be sought from the constituent councils and other funding sources, where appropriate. A proposed key area of such research to inform the 2<sup>nd</sup> Strategic Development Plan will be the next Housing Needs and Demand Assessment, likely in 2013/14, beyond these budget projections.

- 4.10 At the meeting of the Joint Committee on the 25 November 2008 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.
- 4.11 The three year projections have a small positive outturn at March 2013 of £10,000. The significant cost savings from last budget year provide the balance over the current and following three years.
- 4.12 The annual agreed income is £240,000 and this is required in full to March 2013 to deliver the project plan and meet the statutory requirements as agreed. The detailed projections in Appendix Three highlight that annually the costs of the TAYplan SDPA exceed the annual agreed income, on average £285,000 based on the following 3 year projections. This will be monitored. The SDPA is new and some of these costs are based on assumptions. Ongoing monitoring over the period of the first Plan will provide actual costs on which to base future budget projections. However, this does highlight a future budget pressure of an additional £6,250 per authority.

## **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 13-2009: SDPA Budget Update, Joint Committee 25<sup>th</sup> August 2009.
- 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 the SDPA, Joint Committee 25<sup>th</sup> November 2008.
- 6.4 Report 05-2009: Update SDPA Budget, Joint Committee 28th February 2009.

Pamela Ewen  
Strategic Development Plan Authority Manager  
11th November 2009

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



**STATEMENT OF ACCOUNTS  
FOR PERIOD ENDED 31 MARCH 2009**

**AUDITED**

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

STATEMENT OF ACCOUNTS 2008/2009

CONTENTS

	<u>Page No</u>
Foreword	1
Members and Officials	2
Treasurer's Report	4
Statement of Accounting Policies	6
Statement of Responsibilities for the Statement of Accounts	7
<i>Core Financial Statements:</i>	
- Income and Expenditure Account	8
- Balance Sheet	8
- Cash Flow Statement	9
Notes to the Core Financial Statements	10
Statement on the System of Internal Financial Control	13
Independent Auditor's Report	14

**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.

A seminar was held in Dundee on the 11 September 2007 to discuss the creation of a Strategic Development Planning Authority and proposed that an interim Joint Committee be established until the necessary secondary legislation was in place to allow the formal committee to be constituted.

This interim Joint Committee would consist of 3 elected members from each local authority and would be supported by an officers group. An Interim SDPA Manager was appointed to bring forward a Constitution and Governance principles, which were subsequently agreed at the first meeting of the interim joint committee on 26th March 2008. This interim committee was disbanded at subsequent meeting on the 19th August 2008, when the formal committee was established and Minute of Agreement signed.

Joint Committee Meetings are held quarterly, chaired by the Convener, David May, Councillor Angus Council.

The SDPA has an establishment of three full-time staff, the SDPA Manager, Senior Planner and Project Support 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, and this will be formalised by a Service Level Agreement in 2009.

The Finance Officer has scheduled meetings with the newly appointed SDPA Manager (April 2009) 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.



**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. At the Dundee, Perth, Angus and North Fife SDPA meeting on 26 March 2008, the under-noted elected members were appointed to serve on the interim and subsequently formal joint Authority. At this meeting, it was also agreed that the under-noted officers would serve as officials of the Authority.

**Representing Dundee City Council**

Bailie Roderick A J Wallace  
Councillor Kevin Keenan (Vice Convener)  
Councillor Fraser MacPherson



**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



**Representing Angus Council**

Councillor David May (Convener)  
Councillor Iain Gaul  
Councillor Bob Myles



**Clerk**

Patricia McIlquham LLB, Dundee City Council

**Treasurer**

Marjory M Stewart FCCA, CPFA, Dundee City Council

**Interim SDPA Manager**

Gordon Reid (until March 2009)

**SDPA Manager**

Pamela Ewen (Appointed April 2009)

Following a By-election on 12 March 2009, a Special Meeting of Dundee City Council was held on 30 March 2009, where it was agreed that all existing Dundee City Council Joint Committee members should be removed. The Council appointed Councillor Will Dawson (Vice Convener), Councillor David Bowes and Bailie Rod Wallace as new representatives on the Strategic Development Planning Authority.

# **Contact details:**

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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 2008/2009.

**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 period. 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 2009.

*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 Authority received confirmation from the Scottish Government in October 2008 that the Start up Grant allocated to the Authority for 2008/2009 was £120,000.

	<b>Revised Budget £000</b>	<b>Actual Expenditure/ (Income) £000</b>	<b>Variance £000</b>
Staff Costs	50	41	(9)
Property Costs	50	0	(50)
Supplies & Services	25	25	0
Transport Costs	1	0	(1)
Third Party Payments	25	8	(17)
Support Services Costs	4	0	(4)
<b>Gross Expenditure</b>	<b>155</b>	<b>74</b>	<b>(81)</b>

	Revised Budget £000	Actual Expenditure/ (Income) £000	Variance £000
<b>Gross Expenditure</b>	<b>155</b>	<b>74</b>	<b>(81)</b>
Income			
Scottish Govt Start up Grant	(120)	(120)	-
Local Authorities Contributions	(100)	(100)	-
<b>Total Income</b>	<b>(220)</b>	<b>(220)</b>	<b>-</b>
<b>Net (Surplus)/Deficit</b>	<b>(65)</b>	<b>(146)</b>	<b>(81)</b>

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

*Staff Costs (Underspend £9,000)*

Due to delays in recruiting the SDPA Manager post.

*Property Costs (Underspend £50,000)*

Due to timing delay in acquiring accommodation.

*Third Party Payments (Underspend £17,000)*

General delay in commissioning survey in line with staff appointments, net of external audit fees payable to Audit Scotland.

*Support Services (Underspend £4,000)*

No recharge made for 2008/2009.

**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 2008/09 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 2008/09 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.



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

30 JUN 2009



**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 2008 - 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 2009 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) ACC 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 2009



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

**30 JUN 2009**

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

**INCOME & EXPENDITURE ACCOUNT**

		2008/2009 Budgeted Expenditure/ (Income) £000	2008/2009 Actual Expenditure/ (Income) £000
<b><u>Expenditure</u></b>	Notes		
Staff Costs		50	41
Property Costs		50	-
Supplies & Services		25	25
Transport Costs		1	-
Third Party Payments		25	8
Support Services Costs		4	-
<b>Gross Expenditure</b>		<u>155</u>	<u>74</u>
<b><u>Income</u></b>			
Scottish Government Start up Grant		(120)	(120)
<b>Net Cost of Services</b>		35	(46)
Requisition from Local Authorities	7	(100)	(100)
<b>(Surplus)/Deficit for the Year</b>		<u>(65)</u>	<u>(146)</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
<b>Current Assets</b>	
Sundry Debtors	-
Cash and Bank Balance	176
	<u>176</u>
<b>Less Current Liabilities</b>	
Sundry Creditors	(30)
<b>Total Net Assets</b>	<u>146</u>
 <b>Represented By:</b>	
<b>General Fund</b>	<u>146</u>
	<u>146</u>

The unaudited accounts were issued on 30 June 2009 and the audited accounts were authorised for issue on 11 September 2009.



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



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

**CASH FLOW STATEMENT**

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

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 2008/2009 there were no acquired or discontinued operations.

**2. EXCEPTIONAL AND EXTRAORDINARY ITEMS**

In 2008/2009 there were no exceptional or extraordinary items.

**3. PUBLICITY ACCOUNT**

During 2008/2009, the Authority incurred £5,818 on publicity expenditure, relating to employment advertising.

**4. PENSION COSTS**

Dundee City Council administers the Tayside Superannuation Fund on behalf of various Scheduled and Admitted Bodies. In 2008/2009, the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority (Interim manager was seconded from Dundee City Council) paid an employer's contribution of £5,204 into the Tayside Superannuation Fund which represents 18.8% of pensionable pay. The contribution rate was determined by the Fund's Actuary based on the triennial actuarial valuation at 31 March 2005 with the resultant revised contribution rates effective from 1 April 2006. The employer's contribution rate in 2008/2009 was 315% of the employee's contribution rate, which was 6% for Local government Employees. Under Superannuation Regulations contribution rates are set to meet 100% of the overall liabilities of the Fund.

**5. OFFICERS REMUNERATION**

There were no employees whose total remuneration was above the disclosure threshold of £50,000 for the year 2008/2009.

**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 2008/2009 for external audit services is £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 2008/2009 financial year, the Authority entered into the following transactions with these four Councils:

	2008/2009 Income From £000
<b>Angus Council</b>	
Local Authority Contribution	<u>25</u> <u>25</u>
<b>Dundee City Council</b>	
Local Authority Contribution	<u>25</u> <u>25</u>
<b>Perth &amp; Kinross Council</b>	
Local Authority Contribution	<u>25</u> <u>25</u>
<b>Fife Council</b>	
Local Authority Contribution	<u>25</u> <u>25</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 only one employee in 2008/2009 the Interim Manager seconded from Dundee City Council. 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 2009.

## 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 £25,000 prepayment of Local Authority Contribution by Perth & Kinross Council is the only outstanding balance between the Authority and its related parties as at 31 March 2009

## 11. POST BALANCE SHEET EVENTS

There were no events that occurred between 1 April 2009 and 11 September 2009 that would require adjustment to the 2008/09 financial statements. The latter date is the date on which the audited accounts were authorised for issue by the Treasurer.

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

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



**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 2008/2009 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.

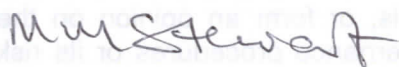
The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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. A Service Level Agreement for this arrangement will be approved in 2009/2010. These systems are subject to review by both the Council's internal audit service and the Council's external auditor.

In conclusion, I am 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

**30 JUN 2009**



## **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 2009 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 2008 - A Statement of Recommended Practice (the 2008 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.

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 2008 SORP, of the financial position of the Joint Committee and its income and expenditure for the period, 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. My 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 2008 SORP, of the financial position of TAYplan as at 31 March 2009 and its income and expenditure for the period then ended; and
- have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

*M. Tate*

Pearl Tate  
Senior Audit Manager  
Audit Scotland  
Osborne House  
1/5 Osborne Terrace  
Edinburgh  
EH12 5HG

11 September 2009

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

**Report to Members and the Controller of Audit on the 2008/09  
Audit**

September 2009



 **AUDIT SCOTLAND**



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

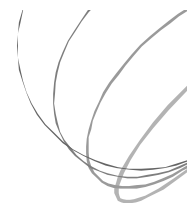
**Report to Members and the Controller of Audit on the 2008/09 Audit**

September 2009

# Contents

<b>Key Messages</b>	<b>2</b>	Overview	7
<b>Introduction</b>	<b>3</b>	Anti-fraud and corruption arrangements	7
<b>Financial statements</b>	<b>4</b>	Systems of internal control	7
Auditor's report	4	Governance Outlook	7
Financial position	4	<b>Performance</b>	<b>8</b>
Issues arising	4	Introduction	8
Legality	5	Overview of performance in 2008/09	8
Statement on the system of internal financial control (SSIFC)	5	Performance outlook	8
<b>Corporate governance</b>	<b>7</b>	<b>Appendix A: Action Plan</b>	<b>9</b>





# Key Messages

Dundee, Perth, Angus and North Fife Strategic Development Planning Authority Joint Committee (referred to as TAYplan) was established through the Town and Country Planning Authority Designation (No 3) (Scotland) Order 2008. The order established four Strategic Planning Authorities to prepare and keep under review a strategic development plan for their areas. TAYplan was formally constituted on 25<sup>th</sup> June 2008.

This report summarises the findings from the 2008/09 audit of TAYplan. We have audited the financial statements and looked at aspects of performance management and governance arrangements that have been developed over the initial period of the organisation existence. This report sets out our main findings from the 2008/09 audit and the outlook for the period ahead.

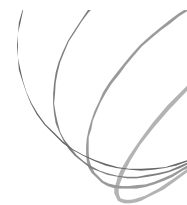
## Key outcomes from 2008/09 audit

We have given an **unqualified** opinion on the financial statements of TAYplan

## Outlook for future audits

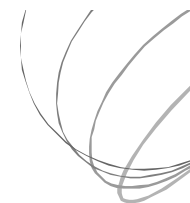
As a relatively new body TAYplan is developing a range of governance processes and policies and we will continue to monitor and review these.

**Audit Scotland  
September 2009**



# Introduction

1. 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.
2. This report summarises the most significant issues arising from our work during 2008/09.



# Financial statements

3. In this section we summarise key outcomes from our audit of TAYplan's financial statements for 2008/09, aspects of TAYplan's reported financial position and performance to 31 March 2009, and provide an outlook on future financial reporting issues.

## Auditor's report

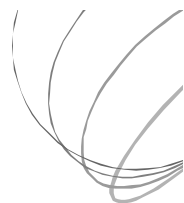
4. We have given an unqualified opinion on the financial statements of TAYplan for 2008/09, concluding that the financial statements:
  - show a true and fair view, in accordance with relevant legal and regulatory requirements and the 2008 SORP, the financial position of TAYplan as at 31 March 2009 and its income and expenditure for the period then ended; and
  - have been properly prepared in accordance with the Local Government (Scotland) Act 1973.

## Financial position

5. TAYplan's Income and Expenditure account shows a net surplus of £146,000 for the period compared to a budgeted surplus of £65,000. This is largely due to initial delays in appointing staff and securing accommodation. The balance has been transferred to the general fund.

## Issues arising

6. 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.
7. 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'). No major changes were introduced by the 2008 SORP. Overall, we were satisfied that the TAYplan had prepared the accounts in accordance with the revised SORP.
8. 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.

9. Audited accounts were finalised prior to the target date of 30 September 2009 and are now available for presentation to the Joint Committee and for publication. The financial statements are an essential means by which TAYplan accounts for its stewardship of the resources made available to it and its financial performance in the use of those resources.
10. As the lead authority, Dundee City Council has taken responsibility for reclaiming VAT on behalf of TAYplan. We noted that TAYplan had not formally joined Dundee City Council's VAT group and no formal request had been made to Her Majesty's Revenue and Customs (HMRC) to approve this arrangement. There is a potential risk therefore that TAYplan is in breach of HMRC regulations.

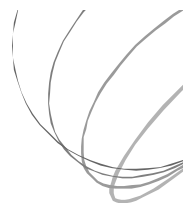
#### ***Key risk area 1***

## **Legality**

11. Each year we request written confirmation from the Treasurer that TAYplan's financial transactions accord with relevant legislation and regulations. Significant legal requirements are also included in audit programmes and checklists. The Treasurer has confirmed that, to the best of her knowledge and belief and having made appropriate enquiries of members and officials of TAYplan, the financial transactions of TAYplan were in accordance with the relevant legislation and regulations governing its activities.
12. There are no additional legality issues arising from our audit which require to be brought to members' attention.

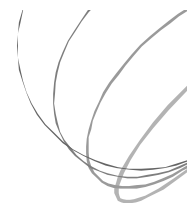
## **Statement on the system of internal financial control (SSIFC)**

13. Scottish authorities are required by the local authority SORP to include a statement of internal financial control with their statement of account. The 2008/09 financial statements include a Statement on the System of Internal Financial Control which highlights the Treasurer's view that reasonable assurance can be placed upon the adequacy and effectiveness of TAYplan's internal financial control system.
14. TAYplan operates the corporate financial systems of Dundee City Council. We understand that a service level agreement for this arrangement will be approved in 2009/2010. The statement highlighted that assurance had been taken from the work done by Dundee City Council's internal audit service on their corporate financial systems and also work done by the council's external auditors.



15. The statement complies with accounting requirements and is not inconsistent with the findings of our audit.
16. The SORP states that authorities *may choose* to include a wider statement of internal control in place of a statement of internal financial control. The CIPFA framework document *Delivering good governance in local government* recommends that the review of the effectiveness of the system of internal control should be reported in an annual governance statement. LAAP bulletin 71 *The Annual Governance Statement* clarifies that authorities are encouraged (but not required) to include an annual governance statement with their accounts. TAYplan may wish to consider moving to an Annual Governance Statement in future years to reflect best practice.





# Corporate governance

17. In this section we comment on key aspects of TAYplan's governance arrangements during 2008/09 and provide an outlook on future governance issues.

## Overview

18. 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." .
19. A formal Minute of Agreement is in place with the constituent authorities. During 2008/09 Tayplan developed standing orders and financial regulations. It makes use of PRINCE2, a project management tool which includes a risk log. We have been advised, however, that the risk log is not up to date.

## Anti-fraud and corruption arrangements

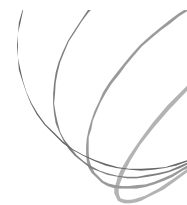
20. TAYplan uses the arrangements in place at Dundee City Council for the prevention and detection of fraud and corruption which include an anti-fraud and corruption policy and response plan, a whistle blowing policy, malicious allegation policy and codes of conduct for elected members and staff. From discussions with officers, we understand that governance arrangements specific to TAYplan are being developed and these should include anti-fraud and corruption arrangements. We will continue to monitor and review governance arrangements during 2009/10.

## Systems of internal control

21. 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 have been advised that a service level agreement with Dundee City Council to provide the TAYplan's support services will be approved in 2009/2010.

## Governance Outlook

22. As a relatively new body the TAYplan is continuing to develop governance processes and we will continue to monitor and review these during 2009/10.



# Performance

## Introduction

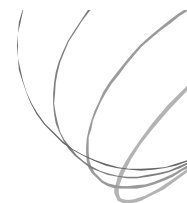
23. In this section we comment on key aspects of performance during 2008/09 and provide an outlook on future performance.

## Overview of performance in 2008/09

24. The delivery of high quality and cost effective public services is a cornerstone of current government policy. Performance management and improvement involves raising the standards and quality of performance, achieving greater efficiency in the use of public funds and becoming more responsive to the needs and aspirations of both individual service users and the communities served. Performance management systems will need to be robust to handle changing requirements and are critical to the complex environment within which TAYplan operates.
25. In its first year of operation TAYplan's main focus was establishing the Joint Committee and developing a project plan covering all key aspects of the strategic planning development cycle. At this early stage there were no performance measurement and reporting processes in place. Since the year end we noted that customer service standards have been developed and further performance measures will be put in place during 2009/10.

## Performance outlook

26. TAYplan's performance framework is at an early stage and we will consider the effectiveness of measures being adopted as part of our 2009/10 audit



# 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	10	<p>As the lead authority, Dundee City Council has taken responsibility for reclaiming VAT on behalf of TAYplan. We noted that TAYplan had not formally joined Dundee City Council's VAT group and no formal request had been made to Her Majesty's Revenue and Customs (HMRC) to approve this arrangement</p> <p><b><i>Risk: the Joint Committee is in breach of HMRC rules</i></b></p>	Dundee City Council to write to HMRC and formally request Tayplan join Dundee City Council's VAT group.	Principal Accountant	25/9/09

APPENDIX THREE

		09/10 Projected Expenditure (£)	09/10 Ledger (£)	09/10 Base Budget (£)	Projected Variance (£)	10/11 Projected	11/12 Projected	12/13 Projected
<b>STAFF COSTS</b>								
	GROSS PAY	101,324	52,264	118,000	(16,676)	120,000	121,500	122,500
	SUPERANNUATION	14,700	7,631	21,000	(6,300)	22,000	22,500	22,500
	NATIONAL INSURANCE	9,000	4,792	10,000	(1,000)	10,000	10,000	10,500
	STUDENTS	8,200	0	3,000	5,200	3,000	3,000	3,000
	TEMPORARY/CASUAL STAFF	7,200	3,064	0	7,200	0	0	0
	RELOCATIONS	10,000	4,091	0	10,000	0	0	0
	TRAINING/CONF/OTHER STAFF EXPENSES	3,000	1,539	3,000	0	4,000	4,000	4,000
		<b>153,424</b>	<b>73,382</b>	<b>155,000</b>	<b>(1,576)</b>	<b>159,000</b>	<b>161,000</b>	<b>162,500</b>
<b>PROPERTY COSTS</b>								
10100	RENT	9,960	7,595	16,000	(6,040)	14,200	14,200	14,200
		<b>9,960</b>	<b>7,595</b>	<b>16,000</b>	<b>(6,040)</b>	<b>14,200</b>	<b>14,200</b>	<b>14,200</b>
<b>SUPPLIES &amp; SERVICES</b>								
24111	BOOKS & MATERIALS	250	164.65	500	(250)	250	250	250
24106	STATIONERY	4,000	1,317	4,000	0	4,000	4,000	4,000
20302	OFFICE FURNITURE & EQUIPMENT	5,200	3,855	8,000	(2,800)	1,000	1,000	1,000
26000	COMPUTER CONSUMABLES inc. licences	13,900	4,883	15,000	(1,100)	10,000	10,000	10,000
24005	PRINTING & PHOTOCOPYING	3,000	1,278	6,000	(3,000)	18,000	18,000	18,000
26900	POSTAGES	50	50	50	0	250	250	250
26111	TELEPHONES	2,000	43	2,000	0	500	500	500
25010	LEGAL FEES	906	906	1,000	(94)	0	0	10,000
27202	ADVERTISING	1,700	1,432	5,200	(3,500)	5,000	5,000	5,000
25003	AUDIT	4,300	4,300	4,500	(200)	4,300	4,300	4,300
27210	HOSPITALITY	750	285	750	0	1,000	1,000	1,000
27300	VENUE HIRE				0	2,500	2,500	2,500
	EXAMINATION				0			55,000
		<b>36,056</b>	<b>18,515</b>	<b>47,000</b>	<b>(10,944)</b>	<b>46,800</b>	<b>46,800</b>	<b>111,800</b>
<b>TRANSPORT COSTS</b>								
27700	CAR ALLOWANCES	1,000	418	1,000	0	2,000	1,500	1,000
35700	OTHER TRANSPORT COSTS	1,500	218	3,000	(1,500)	2,000	1,500	1,500
		<b>2,500</b>	<b>636</b>	<b>4,000</b>	<b>(1,500)</b>	<b>4,000</b>	<b>3,000</b>	<b>2,500</b>
<b>3RD PARTY PAYMENTS</b>								
25020	EXTERNAL CONSULTANTS	40,000	0	50,000	(10,000)	30,000	20,000	40,000
		<b>40,000</b>	<b>0</b>	<b>50,000</b>	<b>(10,000)</b>	<b>30,000</b>	<b>20,000</b>	<b>40,000</b>
<b>SUPPORT SERVICES</b>								
27800	RECHARGE FROM CENTRAL DPTS (LEGAL etc)	8,000	8,000	8,000	0	8,000	8,000	8,000
		<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>0</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>TOTAL GROSS EXPENDITURE</b>		<b>249,940</b>	<b>108,128</b>	<b>280,000</b>	<b>(30,060)</b>	<b>262,000</b>	<b>253,000</b>	<b>339,000</b>
<b>INCOME</b>								
78900	CONTRIBUTIONS LA	240,000	240,000	240,000	0	240,000	240,000	240,000
	DOCUMENTS	530	530	0	530	1,000	1,000	1,000
70600	INTEREST ON REVENUE BALANCES	1,000		0	1,000	1,000	1,000	1,000
	TOTAL INCOME	<b>241,530</b>	<b>240,530</b>	<b>240,000</b>	<b>1,530</b>	<b>242,000</b>	<b>242,000</b>	<b>242,000</b>
<b>NET EXPENDITURE</b>		<b>8,410</b>	<b>(132,402)</b>	<b>40,000</b>	<b>(31,590)</b>	<b>20,000</b>	<b>11,000</b>	<b>97,000</b>
<b>RESERVE</b>								
	Opening Reserve Balance	146,432		146,432	0	138,022	118,022	107,022
	Transfer To / (From) Reserve	(8,410)		(40,000)	31,590	(20,000)	(11,000)	(97,000)
	Balance Carried Forward	<b>138,022</b>		<b>106,432</b>	<b>31,590</b>	<b>118,022</b>	<b>107,022</b>	<b>10,022</b>