

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

THURSDAY, 27TH SEPTEMBER, 2018 AT 3.00 PM

COMMITTEE ROOM 1, 14 CITY SQUARE, DUNDEE

AGENDA OF BUSINESS

1 DECLARATION OF INTEREST

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

2 APOLOGIES

3 MINUTE OF MEETING OF 25TH JUNE, 2018 – (Page 1)

(Copy enclosed).

4 2017/18 INTERNAL AUDIT ANNUAL ASSURANCE STATEMENT

To the Members and Officials of the Dundee, Perth, Angus and North Fife Strategic Development Planning Authority (TAYplan).

On behalf of TAYplan, Dundee City Council is responsible for recording and monitoring its financial records and compiling its annual accounts. TAYplan utilises Dundee City Council's systems and observes its policies and procedures where appropriate whilst delivering its business. These systems, policies and procedures, include those relating to payroll and procurement, which, other than property costs, equate to the bulk of TAYplan's expenditure in 2017/18.

During 2017/18, the Treasurer of TAYplan was Dundee City Council's S95 Officer and, other than the Manager's post that was discharged by the Head of Tay Cities Deal at no cost to TAYplan, all other individuals working on TAYplan business were employed by Dundee City Council and charged to TAYplan accordingly.

As a result of the above, it is considered reasonable to conclude that the operational governance, risk management and control framework in place for TAYplan is that of Dundee City Council's and therefore the assurances provided to Dundee City Council for 2017/18 can be mapped to TAYplan for the purposes of informing its Annual Governance Statement. A full copy of Dundee City Council's Internal Audit Annual Report was presented to its Scrutiny Committee on 27th June 2018 and can be found here: <https://www.dundee.gov.uk/reports/reports/207-2018.pdf>

An extract from the Opinion section of the Annual Report at Appendix B, page 11 is as follows:

"...reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31st March 2018."

5 RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT REPORT ON THE 2017/2018 AUDIT (Page 3).

(Report No SDPA8-2018 by the TAYplan Treasurer enclosed).

6 PLANNING PERFORMANCE FRAMEWORK – (Page 75)

(Report No SDPA9-2018 by the TAYplan Manager enclosed).

7 PLANNING REVIEW – (Page 77)

(Report No 10-2018 by the TAYplan Manager enclosed).

ITEM No ...3.....

At a MEETING of the **DUNDEE, PERTH, ANGUS AND NORTH FIFE STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE** held at Dundee on 25th June, 2018.

Present:-

Angus Council

Councillor Bob Myles
Councillor Ron Sturrock

Dundee City Council

Councillor Will Dawson
Councillor Mark Flynn
Councillor Michael Marra

Fife Council

Councillor Karen Marjoram
Councillor Brian Thomson
Councillor Tim Brett

Perth & Kinross Council

Councillor Tom Gray

I DECLARATION OF INTEREST

There were no declarations of interest.

II APOLOGIES

Apologies were intimated on behalf of Councillors Wilson, Lyle and Duff.

III MINUTE OF MEETING OF 22ND JANUARY, 2018

The minute of the above meeting was submitted and approved.

IV ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31ST MARCH, 2018

There was submitted Report No SDPA6-2018 by the Tay Plan Treasurer presenting the Annual Governance Statement for approval and inclusion into the unaudited Annual Accounts for the year ended 31st March, 2018.

The Joint Committee agreed to:-

- (i) note the content of the covering report;
- (ii) approve the Annual Governance Statement which was included as an Appendix to this report;
- (iii) instruct the Treasurer to include the Annual Governance Statement in the Annual Accounts for the year to 31st March, 2018; and

V DRAFT AUDITED ACCOUNTS FOR THE YEAR TO 31ST MARCH, 2018

There was submitted Report No SDPA7-2018 by the TayPlan Treasurer presenting the draft audited Annual Accounts for the year ended 31st March, 2018.

The Joint Committee agreed to:-

- (i) note the content of the covering report;
- (ii) note the Draft Annual Accounts which was included as an Appendix to this report; and
- (iii) instruct the Treasurer to submit the Annual Accounts to the Controller of Audit, Accounts Commission for Scotland.

Will DAWSON, Convener.

ITEM No ...5.....

REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
JOINT COMMITTEE MEETING ON 27 SEPTEMBER 2018

REPORT ON: RESPONSE TO EXTERNAL AUDITOR'S ANNUAL AUDIT
REPORT ON THE 2017/2018 AUDIT.

REPORT BY: TREASURER

REPORT NO: SDPA8-2018

1 PURPOSE OF REPORT

- 1.1 This report is a response to the report prepared by the Committee's External Auditor on the audit of Tayplan Joint Committee for the year ended 31 March 2018. A copy of the External Auditor's report (Appendix 1) is enclosed and the Joint Committee's Audited Statement of Accounts (Appendix 2) will be available for Members before the Joint Committee meeting. The Final signed copies will be made available as soon as they are received from the external Auditors.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:-
- i endorses this report as the formal response to the External Auditor's report; and,
 - ii notes that the External Auditor's findings and conclusions are favourable.

3 FINANCIAL IMPLICATIONS

- 3.1 The Joint Committee's 2017/2018 Movement in Reserves Statement shows that there was a net underspend of £110,997 during the year. This gives a total General Reserve Balance of £147,126 as at 31 March 2018.

4 MAIN TEXT

Introduction

- 4.1 The external audit of the Committee for the financial year 2017/2018 was carried out by Mr Bruce Crosbie, Senior Audit Manager, Audit Scotland. The Joint Committee's External Auditors are appointed for a five year period and the financial year 2017/2018 marked the second year of Audit Scotland's appointment.

External Auditor's Report

- 4.2 The External Auditor's report outlines his main responsibilities as auditor and describes the scope of audit work undertaken during 2017/2018, and the issues arising from that work.

- 4.3 In addition to the Members of the Committee, the External Auditor's Report is also addressed to the Controller of Audit at the Accounts Commission for Scotland. Given this wider audience, and the extent of the External Auditor's responsibilities and scope of work, his report is by necessity both fulsome and extensive. A copy of the report (Appendix 1) is attached; accordingly, it is not the intention of this report to provide a detailed response or commentary on all of the External Auditor's findings.

Conclusions

- 4.4 During 2017/2018, the External Auditor examined a number of areas covering a wide range of the Committee's activities. It is pleasing to note that the auditor's overall findings and conclusions are satisfactory. In particular, the Committee can take encouragement from the following:

- an unqualified audit opinion on the truth and fairness of the state of the SDPA's affairs as at 31st March 2018 and of its deficit on the provision of services for the year then ended ;
- high quality working papers and draft financial statements were provided prior to the audit fieldwork ;
- there were a number of adjustments required to the draft annual accounts mainly in Management Commentary reflecting the Authority's Vision, Strategic Objectives, Review of Performance and also information about internal audit in the Annual Governance Statement ;
- confirmed that the financial statements have been prepared in accordance with the current Code of Practice and relevant legislation;
- the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements;
- corporate governance arrangements are appropriate to the SDPA; and,
- arrangements in place in respect of maintaining standards of conduct and the prevention and detection of fraud and corruption are appropriate for SDPA's circumstances.

5 **BACKGROUND**

Revenue Expenditure

- 5.1 The Board's 2017/2018 Movement in Reserves Statement shows that there was underspend during the year. The main variances were as follows:

	£000
Staff Underspend	(63)
Supplies & Services and Transport underspend	(15)
Third Party Payments underspend	(30)
Other minor underspend	(3)
Total	<u>(111)</u>

Further details of the other areas of under and overspend together with reasons for these variances are included on page 4 of the Annual Accounts. The overall effect of the above resulted in a closing General Reserve Balance of £147,126 as at 31 March 2018.

6 POLICY IMPLICATIONS

- 6.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues identified.

7 CONSULTATIONS

- 7.1 The Treasurer and Clerk to TAYplan, TAYplan Manager and other officers have been consulted on the contents of this report and are in agreement with the contents.

GREGORY COLGAN
TREASURER
27 SEPTEMBER 2018

Dundee, Perth, Angus & North Fife Strategic Development Planning Authority

2017/18 Proposed Annual Audit Report

DRAFT



 AUDIT SCOTLAND

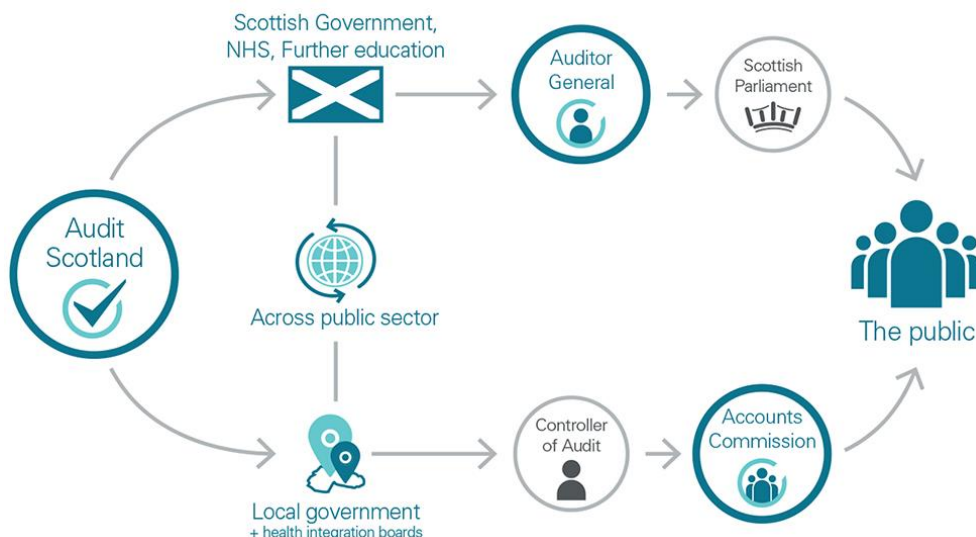
Prepared for the Members of Dundee, Perth, Angus & North Fife Strategic Development Planning Authority
and the Controller of Audit

28 September 2018

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

Contents

Key messages	4
Introduction	5
Part 1	7
Audit of 2017/18 annual report and accounts	
Part 2	10
Financial sustainability	
Part 3	12
Governance and transparency	
Appendix 1	15
Action plan 2017/18	
Appendix 2	17
Significant audit risks identified during planning	
Appendix 3	19
Summary of national performance reports 2017/18	

Key messages

2017/18 annual report and accounts

- 1 The Authority's financial statements give a true and fair view and were properly prepared.
- 2 The audited part of the remuneration report, management commentary and the annual governance statement are all consistent with the financial statements.

Financial sustainability

- 3 The Authority's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves and there is a medium term financial plan in place.
- 4 It is unclear what impact the Scottish Government's planning review will have upon the future delivery of services.

Governance and transparency

- 5 The information in the annual governance statement is consistent with the financial statements and complies with applicable guidance.
- 6 The Authority has appropriate governance arrangements in place that support the scrutiny of decisions made.
- 7 The Authority is open and transparent in the way it conducts its business and the public can attend Joint Committee meetings.

Introduction

1. This report summarises the findings from our 2017/18 audit of Dundee, Perth, Angus & North Fife Strategic Development Planning Authority (the Authority).
2. The scope of our audit was set out in our Annual Audit Plan presented to the January 2018 meeting of the Authority. The report comprises findings from:
 - an audit of the annual accounts
 - consideration of the financial sustainability and the governance and transparency arrangements in the Authority
3. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are illustrated in [Exhibit 1](#).

Exhibit 1

Audit dimensions



Source: Code of Audit Practice 2016

4. The [Code of Audit Practice 2016](#) (the Code) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the financial sustainability of the body and its services and the appropriateness of the disclosures in the annual governance statement.
5. As highlighted in our 2017/18 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2017/18 audit of the Authority.
6. The Authority has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The Authority is also responsible for

compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

7. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice \(2016\)](#) and supplementary guidance, and International Standards on Auditing in the UK.

8. As public sector auditors we give independent opinions on the annual accounts and conclusions on securing financial sustainability and appropriateness of the governance statement disclosures. In doing this, we aim to support improvement and accountability.

9. The weaknesses or risks identified are only those which have come to their attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

10. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and progress against these.

11. We confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2017/18 audit fee of £2,810 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

Adding value through the audit

12. Our aim is to add value to the Authority by providing insight and foresight on financial sustainability and by identifying areas of improvement and recommending and encouraging good practice. In so doing, we aim to help the Authority promote improved standards of financial planning, better management and decision making.

13. This report is addressed to the board and the Auditor General for Scotland and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

14. We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

Part 1

Audit of 2017/18 annual report and accounts



Main judgements

The Authority's financial statements give a true and fair view and were properly prepared.

The audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements.

Audit opinions on the annual report and accounts

15. The annual report and accounts for the year ended 31 March 2018 were approved by the board on 27 September 2018. We reported, within our independent auditor's report that:

- the financial statements give a true and fair view and were properly prepared
- the audited part of the management commentary, remuneration report and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the guidance.

16. We have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records or the information and explanations we received.

The annual report and accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Submission of annual report and accounts for audit

17. We received the unaudited annual report and accounts on 13 June 2018 in line with the audit timetable set out in our 2017/18 Annual Audit Plan.

18. The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly.

Risks of material misstatement

19. [Appendix 2](#) provides a description of areas we assessed as being at risk of material misstatement at the planning stage, how we addressed them and our conclusions thereon. These risks influenced our overall audit strategy, the allocation of staff resources to the audit and how the efforts of the audit team were directed.

Materiality

20. Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. When

deciding on what is material we consider both the amount and nature of the misstatement.

21. We carried out our initial assessment of materiality for the annual report and accounts during the planning phase of the audit. On receipt of the annual accounts we reviewed our planning materiality calculations. The revised materiality levels are summarised in [Exhibit 1](#).

Exhibit 1

Materiality values

Overall materiality - This is the calculated figure used in assessing the overall impact of audit adjustments on the financial statements. It was set at 1% of gross expenditure for the year ended 31 March 2018.	£4,880
Performance materiality - This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 90% of overall materiality.	£4,392
Reporting threshold - We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. We consider £1,000 to be an appropriate figure of interest to members.	£1,000

Source: Audit Scotland

How we evaluate misstatements

22. There were no material adjustments to the unaudited financial statements arising from our audit.

Significant findings from the audit (ISA 260)

23. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance. Findings include our views about significant qualitative aspects of the board's accounting practices including: significant financial statements disclosures, the impact of any uncertainties, misstatements in the annual report and accounts, accounting estimates and judgements and the effect of any unusual transactions on the financial statements.

24. One significant finding was identified in the audit and this is noted in Exhibit 2. The finding has resulted in a recommendation to management and a cross reference to the Action Plan in Appendix 1 has been included.

Exhibit 2

Significant finding from the audit of the financial statements

1. Public Notice of Accounts: pre-audit inspection	The Authority should ensure the public notice is made available on the website
The authority must give public notice of the right of interested	

persons to inspect and object to its accounts in accordance with The Local Authority Accounts (Scotland) Regulations 2014. This public notice must be given no later than 17 June immediately following the financial year to which the accounts relate.

The public notice was uploaded to the authority's website on 21 June 2017, 3 days after the latest date allowable under the statutory regulations.

within the timeframe allowable under the 2014 regulations.



[Recommendation 1 \(refer appendix 1, action plan\)](#)

Source: Audit Scotland

Other findings

25. We identified several presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts.

Follow up of prior year recommendations

26. We have followed up actions previously reported and assessed progress with implementation. These are reported in [Appendix 1](#).

27. In total, 2 agreed actions were raised in 2016/17 and these have been fully implemented in 2017/18.

28. We have concluded that good progress has been made with prior year recommendations.

Objections

29. As noted above, the Local Authority Accounts (Scotland) Regulations 2014 require a local authority body to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. There were no objections to the accounts following publication of the public notice.

Part 2

Financial sustainability



Main judgements

The Authority's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves and there is a medium term financial plan in place.

It is unclear what impact the Scottish Government's planning review will have upon the future delivery of services.

Financial performance in 2017/18

30. The Authority approved a three year budget in February 2017. The approved budget for 2017/18 was £0.345 million, to be met from constituent authorities' requisitions of £0.184 million and £0.161 million from reserves. This was an increase of £0.085 million (32.7%) on the approved 2016/17 revenue budget.

31. The financial performance of the Authority during 2017/18 resulted in an underspend against budget of £0.111 million. The more significant underspends are summarised in [Exhibit 4](#).

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Exhibit 4

Summary of significant variations against budget

Staff costs	£0.063 million	Senior Planning Officer post vacant and Planning Officer on maternity leave during 2017.18 contributed to staff budget underspend.
Supplies & services	£0.012 million	Savings on computer cost of £0.004 million, hospitality and venue hire of £0.003 million and general office expenses of £0.005 million
Third party payments	£0.030 million	Underspend on external consultancy fees for commissioning of Transport modelling and on other consultancy work to support the preparation of TAYplan 3 which wasn't being progressed due to Scottish Government's intent to abolish Strategic Development Plans from the Scottish planning system.

32. The Authority had budgeted to use £0.161 million of its general reserve in 2017/18 but the £0.111 million underspend enabled the Authority to reduce its usage of reserves in 2017/18 to £0.050 million. This resulted in a general reserve balance as at 31 March 2018 of £0.147 million.

Financial planning

33. It is important that longer-term financial strategies are in place which link spending to the Authority's strategies. Although members only approve the revenue budget for a single year, this should be supported by indicative future spending plans (covering three years at least) that forecast the impact of relevant pressures on the Authority.

34. The Authority produces a three year revenue budget. The three year budget was approved by the Joint Committee in January 2018.

35. We have concluded that the Authority has adequate financial planning arrangements in place.

Reserves

36. The Authority holds a general fund reserve, the main purpose of which is to provide a contingency fund to meet unexpected expenditure and as a working balance to help cushion the impact of uneven cash flows. The Joint Committee agreed in February 2014 to hold a minimum of £0.025 million as a balance in reserve.

37. The usable reserves held by the Authority at 31 March 2018 were £0.147 million (2016/17 £0.197 million) and therefore the general fund reserve exceeds the minimum level in the approved reserve strategy.

38. The three year budget presented to the Joint Committee in January 2018 projects a reduction in the general reserve balance to £0.041 million by 31 March 2020, (mainly as a result of planned rebates to constituent authorities) but this is dependent on any impact arising from the Scottish Government's planning review.

Part 3

Governance and transparency



Main judgements

The information in the annual governance statement is consistent with the financial statements and complies with applicable guidance.

The Authority has appropriate governance arrangements in place that support the scrutiny of decisions made.

The Authority is open and transparent in the way it conducts its business and the public can attend Joint Committee meetings.

Annual governance statement

39. Our review of the annual governance statement assessed the assurances which are provided to the Strategic Development Planning Authority (SDPA) Manager as Accountable Officer regarding the adequacy and effectiveness of the board's system of internal control which operated in the financial year.

40. The annual governance statement summarises the overall control arrangements of the system of internal financial control. Dundee City Council, as host authority, provides support in some key areas of business, particularly in finance, legal services and information technology.

41. Dundee City Council's Senior Manager – Internal Audit has provided an annual assurance statement which notes that “it is considered reasonable to conclude that the operational governance, risk management and control framework in place for TAYplan (the Authority) is that of Dundee City Council's and therefore the assurances provided to Dundee City Council for 2017/18 can be mapped to TAYplan for the purposes of informing its Annual Governance Statement.

42. The Senior Manager – Internal Audit concluded in her annual internal audit report on Dundee City Council that “...reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2018.”

43. We concluded that the information in the governance statement is consistent with the financial statements and complies with the guidance issued by the Scottish Ministers.

Governance arrangements

44. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

45. Members and management of the Authority are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements.

46. Based on our observations and audit work performed during 2017/18, we concluded that the Authority has effective overarching and supporting governance arrangements which provide an appropriate framework for organisational decision-making.

Transparency

47. Transparency means that the general public have access to understandable, relevant and timely information about how the Authority is taking decisions and how it is using resources such as money, people and assets.

48. There is evidence which demonstrate the Authority's commitment to transparency. Members of the public can attend meetings of the Joint Committee. Minutes of the latest Joint Committee meetings and supporting papers are readily available on the Authority's website. The Authority also makes its annual accounts available on its website. These include a management commentary which provides details of performance against budget and risks and uncertainties facing the Authority.

49. Overall, we concluded that the Authority conducts its business in an open and transparent manner.

Internal Audit

50. The Authority's internal audit function is carried out by Dundee City Council's internal audit service. A peer review was carried out by East Lothian Council's Internal Audit Manager and concluded that the Council's Internal Audit Service fully conforms with 11 of the 13 standards set out in the Public Sector Internal Audit Standards (PSIAS) and generally conforms with the remaining 2. We have also concluded that internal audit generally operates in accordance with the PSIAS and has sound documentation standards and reporting procedures in place.

51. We did not place any formal reliance on internal audit reviews for the Authority in 2017/18.

Standards of conduct for prevention and detection of fraud and error

52. The Authority has a range of established procedures for preventing and detecting fraud and irregularity including a whistleblowing policy, anti-fraud strategy and codes of conduct for members and officers. We assessed these to ensure that they were appropriate, readily available to staff and are regularly reviewed to ensure they remain relevant and current.

53. We concluded that the Authority has appropriate arrangements in place for the prevention and detection of bribery and corruption. We are not aware of any specific issues we require to bring to your attention.

Other matters

54. An independent review published in 2016 recommended that Strategic Development Plans should be replaced by an enhanced National Planning Framework. The Scottish Government published its consultation document in January 2017 which outlined proposed changes to the system.

55. An independent analysis of the responses to the consultation and a position statement were published in June 2017. The Scottish Government introduced the Planning (Scotland) Bill in the Scottish Parliament in December 2017.

56. The Bill sets out the proposed reforms to the Scottish planning system, including the system of development planning. As part of the proposals, SDPs will be abolished, removing this statutory tier of regional development planning. Regional planning will be reflected in a new National Planning Framework (NPF).

57. The proposals make provision for local authorities to adopt flexible partnership arrangements for continued collaborative working. There will also be a duty for local authorities to assist in preparation of the NPF. As the Bill passes through the parliamentary process the future role of the Authority will become clearer. The four local authorities of the Authority will require to respond to the Bill once it is passed.

Appendix 1

Action plan 2017/18

2017/18 recommendations for improvement



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p>Public Notice of Accounts</p> <p>The authority must give public notice of the right of interested persons to inspect and object to its accounts in accordance with The Local Authority Accounts (Scotland) Regulations 2014. This public notice must be given no later than 17 June immediately following the financial year to which the accounts relate. The public notice was uploaded to the authority's website on 21 June 2017, 3 days after the latest date allowable under the statutory regulations.</p> <p>Risk</p> <p>The authority may be open to legal challenge if it does not comply with regulations.</p>	<p>The authority should ensure the public notice is made available on the website within the timeframe allowable under the 2014 regulations.</p> <p>Paragraph 23</p>	<p>Measures will be established to ensure the timescale for issuing the Statutory notice will be achieved in future years</p> <p>Treasurer</p> <p>June 2019</p>

Follow up of prior year recommendations

PY1	<p>Management Commentary, Annual Governance Statement and Annual Remuneration Report</p> <p>A number of disclosures required by extant guidance and regulations had not been presented appropriately in the annual accounts.</p> <p><i>Risk: The accounts may not comply with current guidance and regulations.</i></p>	<p>The Authority should ensure there is a process in place to ensure that the requirements of existing guidance and regulations are met.</p>	<p>Action complete.</p> <p>The Management Commentary, Annual Governance Statement and Annual Remuneration Report within the 2017/18 annual accounts are compliant with current guidance and regulations.</p>
PY2	<p>Internal Audit</p> <p>The internal auditor's annual report to Dundee City Council provides the internal auditor's opinion on the systems of</p>	<p>The Authority should report annually to the Joint Committee on internal audit's work on the main financial systems used by the Authority.</p>	<p>Action complete.</p> <p>The Senior Manager – Internal Audit has provided an assurance statement which provides the SDPA Manager</p>



No.	Issue/risk	Recommendation	Agreed management action/timing
	<p>control and is relied on for the purposes of providing assurance to the Authority. This is not reported to the Joint Committee.</p> <p>The internal auditor's annual report is a key source of assurance for the Authority's annual governance statement and in our view, formalising the reporting of the reviews to the Joint Committee would provide evidence that all appropriate areas have been considered for inclusion in its annual governance statement.</p> <p><i>Risk: Members may not be able to fully scrutinise the control arrangements impacting on the Authority.</i></p>	<p>This would provide evidence to support the content of the Authority's Annual Governance Statement.</p>	<p>with assurance to support the Annual Governance Statement.</p>

Appendix 2

Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual report and accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Risks of material misstatement in the financial statements		
1 Risk of management override of controls ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.	Detailed testing of journal entries. Review of accounting estimates. Focused testing of accruals and prepayments. Evaluation of significant transactions that are outside the normal course of business.	No instances of management override of controls were identified. All journals and significant transactions tested (including accruals) were found to be appropriate. Sources of accounting estimates were reviewed and found to be without management bias. We reviewed transactions for the year. No significant transactions were identified that are outside the normal course of the Authority's business.
2 Risk of fraud over expenditure Most public sector bodies are net expenditure bodies and therefore the risk of fraud is more likely to occur in expenditure.	Assessment of key financial controls over expenditure. Detailed testing of transactions focusing on the greater areas of risk.	Detailed testing of key financial controls over expenditure within Dundee City Council systems used by the Authority found no significant weaknesses which would impact on the Authority's transactions. Testing of 2017/18 expenditure transactions identified no errors or instances of fraud.
Risks identified from the auditor's wider responsibility under the Code of Audit Practice		
3 Redesign of Planning Authorities An independent review published in 2016 recommended that Strategic Development Plans should be replaced by an enhanced National Planning Framework. Following a consultation process a position statement was published in June 2017.	Review reports to the Authority to monitor the progress of the changes to the planning framework and the impact on the Authority.	We reviewed an update on the Planning (Scotland) Bill taken to the Joint Committee in January 2018. The report outlines the process the Bill will now follow through parliament and the potential impact on the Authority, should the Bill be passed. We have taken cognisance of the implications of the report for the

The Planning (Scotland) Bill was presented to Parliament on 4 December 2018 which, if approved, should clarify the role of planning authorities in the future.

During any transition period there is a risk that there is a negative impact on the Authority's governance and performance arrangements.

Authority and noted these in paragraphs 54-57.

Changes to the function of the Authority are not likely to come into effect until 2019/20.

Appendix 3

Summary of national performance reports 2017/18



	Apr	
	May	
Common Agricultural Policy Futures programme: further update	Jun	Scotland's colleges 2017
	Jul	NHS workforce planning
Self-directed support: 2017 progress report	Aug	
Equal pay in Scottish councils	Sept	
Transport Scotland's ferry services	Oct	NHS in Scotland 2017
Local government in Scotland: Financial overview 2016/17	Nov	
	Dec	
	Jan	
Early learning and childcare	Feb	
Managing the implementation of the Scotland Acts	Mar	

Dundee, Perth, Angus & North Fife Strategic Development Planning Authority

DRAFT

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or info@audit-scotland.gov.uk

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
T: 0131 625 1500 E: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

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



**ANNUAL ACCOUNTS
FOR PERIOD ENDED 31 MARCH 2018**

AUDITED

SEPTEMBER 2018

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

ANNUAL ACCOUNTS 2017/2018

CONTENTS

	<u>Page No</u>
Members and Officials	1
Management Commentary	2
Annual Governance Statement	6
Annual Remuneration Report	8
Statement of Responsibilities for the Annual Accounts	12
Expenditure and Funding Analysis	13
<i>Core Financial Statements:</i>	
- Comprehensive Income and Expenditure Statement	13
- Movement In Reserves Statement	14
- Balance Sheet	15
- Cash Flow Statement	16
Notes to the Financial Statements	17
Independent Auditor's Report	25

**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 serve as officials of the Authority.

At the end of the financial year 2017/18, the Members and Officials of the Committee were:

Representing Dundee City Council

Councillor Will Dawson
Councillor Mark Flynn
Councillor Michael Marra



Representing Perth & Kinross Council

Councillor Murray Lyle
Councillor Tom Gray
Councillor Willie Wilson



Representing Fife Council

Councillor Tim Brett
Councillor Karen Marjoram
Councillor Brian Thomson



Representing Angus Council

Councillor Bill Duff
Councillor Ron Sturrock (Convenor)
Councillor Bob Myles



ACTING SDPA MANAGER Mr David Littlejohn

CLERK Mr Roger W H Mennie LL.B (Hons) ,Dip L.P., Dundee City Council

TREASURER Mr Gregory Colgan, BAcc(Hons), ACMA, CGMA , Dundee City Council

Contact details:

Acting SDPA Manager

TAYplan
Strategic Development
Planning Authority
Enterprise House
3 Greenmarket
Dundee
DD1 4QB

01382-307184
tayplan.manager@
tayplan-sdpa.gov.uk

Clerk

c/o Dundee City Council
Corporate Services
21 City Square
Dundee
DD1 3BY

01382-434204
roger.mennie@
dundeecity.gov.uk

Treasurer

c/o Dundee City Council
Corporate Services
50 North Lindsay Street
Dundee
DD1 1NZ

01382-434431
gregory.colgan@
dundeecity.gov.uk

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

INTRODUCTION

We are pleased to present the Annual Accounts for Dundee, Perth, Angus and North Fife Strategic Development Planning Authority (SDPA) for the year ended 31st March 2018. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/2018 ("the Code"). The Management Commentary provides a context for the annual accounts, an analysis of performance during the year and an insight into the priorities and plans for the Authority. The principal financial risks and uncertainties facing the Authority are identified, together with the potential impact and actions being taken.

Strategic Development Planning Authorities (SDPAs) have Joint Committees created by the Planning etc. (Scotland) Act 2006 and the Strategic Development Planning Authorities (SDPAs) 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 SDPA was established under the above Act consisting and operating on behalf of 4 Councils: Dundee City; Perth & Kinross; Angus; and Fife. The key role of the SDPA is to prepare and maintain an up to date Strategic Development Plan (SDP) for the area. This process involves engagement and consultation with a number of key stakeholder organisations and the wider community.

The first Strategic Development Plan was approved by Scottish Ministers on 8th June 2012. The Authority is required to review and submit a new Plan to Ministers within 4 years of date of approval i.e. by 8th June 2016. The new proposed plan was submitted to Scottish Ministers on 7th June 2016 and approved on 11 October 2017.

Alongside the Plan an Action Programme was prepared in collaboration with The SDPA's 13 Key Stakeholders. All these public organisations agreed to the Programme's content (actions to deliver the Plan).

The SDPA has an establishment of three staff, a part-time Acting SDPA Manager, full time Senior Planner (currently vacant) and Planning Officer. Professional, legal, financial and I.T. services are provided by Dundee City Council in its role as host authority. The Finance Officer has regular scheduled meetings with the SDPA Manager to review the on-going position in relation to both the local authority contributions and the SDPA administration budget, in accordance with the financial regulations agreed by the Joint Committee.

The Authority comprises 12 elected members: 3 each from Angus Council, Dundee City Council, Fife Council and Perth & Kinross Council. The Authority is supported by an officers group. Joint Committee Meetings are chaired by the Convener, on the following rotational basis:

Year	Convener	Vice Convener
2012	Perth & Kinross Council, Councillor John Kellas	Angus Council, Councillor Mari Evans (after May)
2013	Angus Council, Councillor Mari Evans	Dundee City Council, Councillor Will Dawson
2014	Dundee City Council, Councillor Will Dawson	Fife Council, Councillor Lesley Laird
2015	Fife Council, Councillor Lesley Laird	Perth & Kinross Council, Councillor John Kellas
2016	Perth & Kinross Council, Councillor Tom Gray	Angus Council, Councillor Rob Murray
2017	Angus Council, Councillor Ron Sturrock	Dundee City Council, Councillor Will Dawson
2018	Dundee City Council, Will Dawson	Fife Council, Karen Marjoram

MISSION, VISION AND STRATEGIC OBJECTIVES

The TAYplan Strategic Development Plan 2016-2036 sets out the vision, principles and objective for the TAYplan area. The proposed vision for the TAYplan area states:-

"By 2036 the TAYplan area will be sustainable, more attractive, competitive and vibrant without creating an unacceptable burden on our planet. The quality of life will make it a place of first choice where more people choose to live, work, study and visit, and where businesses choose to invest and create jobs." The vision took into account the individual visions set out by each of the constituent councils in their Council Plans and Single Outcome Agreements.

The plan identifies the core Strategic Objectives to help it fulfil the Authority's Mission and Vision, and so ensure:-

- effective resource management and promoting an accessible, connected and networked region
- supporting sustainable economic development and improving regional image and distinctiveness
- enhancing the quality of place through better development outcomes

MANAGEMENT COMMENTARY (Continued)

Each Strategic Objective is supported by a detailed set of priorities and tasks, against which performance is regularly monitored by the TAYplan Board comprising the Heads of Planning of the 4 constituent Planning Authorities and the TAYplan Manager. Progress is reported to the Joint Committee. This provides members with the opportunity to discuss and agree appropriate action.

REVIEW OF PERFORMANCE

During 2017/18 TAYplan's focus was on publishing and distributing the Approved Plan and updating the Action Plan prior to it being approved by the Joint Committee in January 2018.

Because of the Scottish Government's stated intent to remove Strategic Development Plans from the Scottish planning system, no work was undertaken to prepare the third TAYplan. The Planning (Scotland) Bill is currently progressing through Parliament and it is anticipated it will be approved, with or without amendments, in September 2018.

Development Plan Scheme setting out the current position was approved by the Joint Committee in January 2018.

Key Outcomes for 2017/2018

Development Planning:

During 2017/18 the focus has been on assembling various material to commence the preparation of the third Strategic Development Plan (or any successor dependent on the planning review). Following the planning review and a period of consultation, the draft Planning (Scotland) Bill is under consideration by the Scottish parliament. The Bill proposes to remove Strategic Development Plans from the planning system. This reporting year has therefore seen the completing of work necessary for Scottish Ministers to approve the Strategic Development Plan (approved in October 2017).

Age of local /strategic development plan(s) (years and months) at end of reporting period requirement: less than 5 years	Yes
Will the local/strategic development plan(s) be replaced by their 5 th anniversary:	Yes
Were development plan scheme engagement/consultation commitments met during the year	Yes

The approved TAYplan Strategic Development Plan (2016) will be 5 years old on 11 October 2021. It is not anticipated there will be a direct replacement but rather a duty on the 4 Authorities to co-produce a regional input to the next National Planning Framework.

This reporting year has therefore seen the completion of all work necessary to comply with planning legislation.

No performance indicators have been specifically identified to measure financial performance. However, the SDPA agrees a budget in advance of each year and considers a detailed budget monitoring report with a forecast for the year of income and expenditure at each meeting. This allows regular and close scrutiny of activities against specific financial targets to take place and is considered adequate for the authority.

MANAGEMENT COMMENTARY (Continued)

FINANCIAL PERFORMANCE REVIEW

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 effectively utilised.

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

	Approved Budget	Actual Expenditure/ (Income)	Variance
	£000	£000	£000
Staff Costs	90	27	(63)
Property Costs	14	14	-
Supplies and Services	23	11	(12)
Transport Costs	3	-	(3)
Third Party Payments	214	184	(30)
Corporate and Democratic Core	8	8	-
Cost Of Services	352	244	(108)
Other Operating Income & Expenditure	(7)	(7)	-
Financing & Investment Income & Expenditure	-	(1)	(1)
(Surplus)/Deficit on Provision of Services before Requisition Income	345	236	(109)
Requisition Income	(184)	(184)	-
Total Comprehensive (Income) and Expenditure	161	52	(109)
IAS 19 Adjustments		(2)	(2)
Movement in General Fund Balance		50	(111)

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

Staff Costs (Underspend £63k)

Due to Senior Planning Officer post vacant and Planning Officer on maternity leave during all the year contributed to staff budget underspend. Since September 2016 there have been no costs associated with the Manager's post as the Head of Tay Cities Deal has absorbed the function into his role.

Supplies and Services (Underspend £12k)

There were savings on computer cost of £4k, lower spend on Hospitality & Venue hire £3k and general office expenses by £5k.

Third Party Payments (Underspend £30k)

Underspend due to lower spend in external consultancy fees for commissioning of Transport modelling, also other consultancy work to support the preparation of TAYplan 3 wasn't being progressed due to Scottish Government's intent to abolish Strategic Development Plans from the Scottish planning system.

MANAGEMENT COMMENTARY (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the SDPA is the uncertainty around the future of Strategic Development Plans. .

Over the past two years the Scottish Government has been reviewing the operation of the planning system in Scotland. The Scottish Government has published its position statement on the Planning Review which included its intent to remove Strategic Development, the Planning (Scotland) Bill is currently progressing through Parliament and it is anticipated it will be approved in September 2018. The statutory duty to prepare and implement Strategic Development Plans will remain until the legislation is passed, albeit in the case of the Dundee, Perth, Angus and North Fife SDPA no additional work will be undertaken in relation to TAYplan 3 until there is clarity on the future of SDPs. Therefore the SDPA will function at a minimal level to ensure it complies with its duty under the 1997 Planning Act. Should Parliament decide to retain SDPs, the TAYplan Board will ensure adequate resources are put in place to fulfil the SDPA's statutory duty to commence preparation of TAYplan 3.

FUTURE DEVELOPMENTS

Future developments will generally be identified from change in Government or local authority policy, changes in the development plan and / or wider economic changes in the region. Close links are maintained with appropriate government departments which will ensure that arising issues are identified early enough to allow any appropriate action to be taken to re-position the SDPA and its activities.

CONCLUSION

Sound financial management and effective risk management have enabled the Authority to successfully manage its financial affairs during the financial year 2017/2018.

Despite uncertainties and significant challenges, operational performance continues to remain at a high level and effective management of a committed staff will continue to ensure that the Authority is able to meet its objective.

We wish to acknowledge the significant efforts and exceptional hard work of all staff in facing up to the challenges encountered and contributing to the Authority's successful operational performance, the staff whose financial stewardship has contributed to the Authority's financial position at 31st March 2018 and everyone involved in the preparation of the annual accounts.

Gregory Colgan, BAcc(Hons), ACMA, CGMA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
27th September 2018

David Littlejohn MA, MPhil, MRTPI
Acting SDPA Manager
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
27th September 2018

Councillor Will Dawson
Convener
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
27th September 2018

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

Scope of Responsibility

Tayplan is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently and effectively. The Authority also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these responsibilities elected members and senior officers are responsible for implementing effective arrangements for governing the Authority's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Authority, through its constituent Councils, has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government. This statement explains how the Authority through utilisation of Dundee City Council's systems and procedures delivers good governance and reviews the effectiveness of these arrangements.

The Joint Committee's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Authority is directed and controlled. It also describes the way it engages with, accounts to and leads the local community. It enables the Authority to monitor the achievement of its objectives and consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The overall control arrangements include:

- Identification and monitoring of the Authority's strategic objectives.
- A systematic approach to monitoring service performance at elected member, senior officer and project level.
- Reporting performance regularly to Authority.
- Clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers.
- Formal project appraisal techniques and project management disciplines.
- Setting targets to measure financial and service performance.
- Formal revenue budgetary control systems and procedures.

The Executive Director of Corporate Services, Dundee City Council is Treasurer to the Authority and has complied fully with the principles set out in CIPFA's Role of the Chief Financial Officer in Local Government.

Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of the Authority's services and take into account comments made by external auditors and other review agencies and inspectorates and prepare actions plans as appropriate.

In addition the utilisation of the systems and procedures of Dundee City Council means that reliance can be placed on the effectiveness of their governance framework. This is reviewed annually by a working group of senior council officers and Chief Officers from each council service complete a self-assessment of their own arrangements.

The annual review of effectiveness demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Authority complies with the Local Code of Corporate Governance in all significant respects.

ANNUAL GOVERNANCE STATEMENT (Continued)**Conclusion**

Internal Audit did not conduct any audit work specifically on SDPA during 2017/18.. Dundee City Council's Senior Manager – Internal Audit has provided an annual assurance statement to the SDPA's Joint Committee which notes that "it is considered reasonable to conclude that the operational governance, risk management and control framework in place for TAYplan (the Authority) is that of Dundee City Council's and therefore the assurances provided to Dundee City Council for 2017/18 can be mapped to TAYplan for the purposes of informing its Annual Governance Statement. Dundee City Council's 2017/18 Annual Internal Audit Report, presented to the Council's Scrutiny Committee on 27 June 2018, concluded that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2018. On this basis we have concluded that there were no significant governance weaknesses which would impact on the SDPA's governance arrangements.

David Littlejohn
Acting SDPA Manager
27 September 2018

Cllr Will Dawson, Convener
Joint Committee
27 September 2018

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

INTRODUCTION

The Authority is required to prepare and publish within its Statement of Accounts an Annual Remuneration Report under the Local Authority Accounts (Scotland) Regulations 2014. The report sets out the remuneration of the Convener and Senior Employees of the Authority and accrued pension benefits of the Senior Employees. The report also provides information on the number of Authority employees (including Senior Employees) whose total actual remuneration was £50,000 or more, this information being disclosed in salary bandings of £5,000. The following report has been prepared in accordance with the aforementioned Regulations. All information disclosed in the table 1 at page 9 in this Remuneration Report has been audited by Audit Scotland. The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

REMUNERATION ARRANGEMENTS

Convener

The remuneration of Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (Scottish Statutory Instrument No. 2007/183). The Regulations set out the remuneration payable to Councillors with the responsibility of a Convener or Vice Convener of a Joint Authority. The Regulations require the remuneration to be paid by the Council of which the Convener or Vice Convener is a member. The Council is also required to pay pension contributions arising from the Convener or Vice Convener being a member of the Local Government Pension Scheme.

There is no remuneration paid to the Convener and Vice- Convener of the Authority.

Senior Employees

The salaries of Senior Employees take account of the duties and responsibilities of their posts

For the purposes of the Remuneration Report, the Regulations set out the following criteria for designation as a Senior Employee of the Authority:

- (i) has responsibility for management of the Authority to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
- (ii) holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989; or
- (iii) annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The Authority has determined that staff filling the role of SDPA Manager are deemed to be senior employees of the Authority.

The Regulations also require information to be published on the total number of Authority employees (including Senior Employees) whose total actual remuneration was £50,000 or more. This information is to be disclosed in salary bandings of £5,000. No employees of the Authority received remuneration of £50,000 therefore there is no disclosure required in 2017/2018(or 2016/2017). Remuneration of Senior Employees is shown in the table 1.

ANNUAL REMUNERATION REPORT (Continued)

TABLE 1 – REMUNERATION OF SENIOR EMPLOYEES

Employee Name	Post Title	Total Remuneration 2017/2018	Total Remuneration 2016/2017
		£	£
Gordon Reid (April 2016 – September 2016)	Manager	-	14,438
David Littlejohn (October 2016 – March 2017)	Manager	-	-
David Littlejohn (April 2017 – March 2018)	Manager	-	-
Total		Nil	14,438

There is no salaries costs associated for covering Manager's post during 2017/18, however in previous year 2016/2017 Dundee City Council have recharged £14,438 being six months' salary and on cost for Gordon Reid pro rata 2 days per week for covering Manager's post. This is in line with the agreed report SDPA09-2015 Section 5.5 which is detailed below:

Given the project plan adjustments, and as a result lighter workload for the core team, the Board have agreed that the Manager role will be filled over the next 12 months on a temporary and part time basis. The post will be covered by existing Development Plan Managers from within the constituent Councils; Fife Council over the period October 2015 – March 2016 and Dundee City Council over the period April – September 2016. Since October 2016 there have been no costs associated with the Manager's post to SDPA as the Head of Tay Cities Deal has absorbed the function into his role. The Board are confident that operationally this will meet the requirements to deliver the project plan.

David Littlejohn
Acting SDPA Manager
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
27th September 2018

Councillor Will Dawson
Convener
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
27th September 2018

ANNUAL REMUNERATION REPORT (Continued)

ACCRUED PENSION BENEFITS

Pension benefits are provided through the Local Government Pension Scheme (LGPS) which is a career average related earnings (CARE) pension scheme. This means that pension benefits are based on the career average revalued pay and the number years that the person has been a member of the scheme

The scheme's normal retirement age for employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009, contribution rates were set at 6% for all non-manual employees. The member's contribution rates are as follows:

Whole Time Pay	Contribution Rate 2016/2017	Whole Time Pay	Contribution Rate 2017/2018
On earnings up to and including £20,500	5.5%	On earnings up to and including £20,700	5.5%
On earnings above £20,500 and up to £25,000	7.25%	On earnings above £20,700 and up to £25,300	7.25%
On earnings above £25,000 and up to £34,400	8.5%	On earnings above £25,300 and up to £34,700	8.5%
On earnings above £34,400 and up to £45,800	9.5%	On earnings above £34,700 and up to £46,300	9.5%
On earnings above £45,800	12%	On earnings above £46,300	12%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. Since April 2015 the LGPS changed to a defined benefit pension scheme worked out on a career average basis, on rate of 1/49th of the amount of pensionable pay you received in that scheme year. Pension benefits to 31 March 2015 are protected and paid on final leaving salary. Between April 2009 and March 2015 the accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

Convener

There were no pension contributions made by the Authority in respect of the Convener and the Vice Convener of the Authority.

Senior Employees

During 2017/2018, there have been no salaries costs associated with the Manager's post as the Head of Tay Cities Deal has absorbed the function into his role.

SENIOR EMPLOYEE ACCRUED PENSION BENEFITS

Employee Name	Post Title	Pension as at 31 March 2018	Lump sum as at 31 March 2018	Pension Contribution by Authority 2017/18
		£	£	
David Littlejohn	Manager	Nil	Nil	Nil

Previous year 2016/2017, the acting SDPA Manager post was filled by staff employed by Dundee City Council, who as such were entitled to be members of the Superannuation Scheme which is administered by Dundee City Council. This provides staff with defined benefits upon their retirement, and the SDPA contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The employing authority is responsible for all pension payments related to "added years" it has awarded, together with related increases. There are no awards in respect of staff seconded to SDPA.

ANNUAL REMUNERATION REPORT (Continued)**SENIOR EMPLOYEE ACCRUED PENSION BENEFITS**

Employee Name	Post Title	Pension as at 31 March 2017 £	Lump sum as at 31 March 2017 £	Pension Contribution by Authority 2016/17
Gordon Reid	Manager	18,007	34,183	1,891

The SDPA Manager Gordon Reid was in post from April 2016 to September 2016 for 2 days per week and the in year contributions reflect this proportion of the total employer's contribution made in the year

Exit Packages

There were no exit packages in 2017/208 (2016/2017 Nil).

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS**

The Authority's responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Authority, that officer is the Treasurer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Audited Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Authority at its meeting on 27 September 2018

Signed on behalf of SDPA Joint Committee

Convener
27 September 2018

The Treasurer's responsibilities

The Treasurer is responsible for the preparation of the Authority's Annual Accounts in accordance with proper practices as required by legislation and set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 ('the Code of Practice').

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Code of Practice (in so far as it is compatible with legislation).

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Authority at the reporting date and the transactions of the Authority for the year ended 31 March 2018.

Gregory Colgan, BAcc(Hons), ACMA,CGMA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
27 September 2018

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

The objective of the Expenditure and Funding Analysis is to demonstrate how the funding available to the Joint Committee for the year has been used in providing services in comparison with those resources consumed or earned by the Joint Committee in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2016/2017			2017/2018		
Net Expenditure Chargeable to General Fund £000	Adjustments between the funding and Accounting Basis £000	Net Expenditure in the CIES £000	Net Expenditure Chargeable to General Fund £000	Adjustments between the funding and Accounting Basis £000	Net Expenditure in the CIES £000
Expenditure					
104		104	25	2	27
14		14	14		14
32		32	11		11
1		1			-
61		61	184		184
8		8	8		8
220	-	220	242	2	244
(209)		(209)	(192)		(192)
11	-	11	50	2	52
(208)			(197)		
11			50		
(197)			(147)		

Note to the Expenditure and Funding Analysis

The difference between the General Reserve Deficit and Comprehensive Income and Expenditure Statement Deficit on the Provision of Services relates to the movement in the holiday pay accruals in 2017/18.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
MOVEMENT IN RESERVES STATEMENT**

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'unusable reserves'. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Reserve Balance.

	General Reserve Balance £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2016	208	208	(1)	207
<u>Movement in Reserves during 2016/2017</u>				
Total Comprehensive Expenditure and Income	(11)	(11)	-	(11)
Decrease in 2016/2017	(11)	(11)	-	(11)
Balance at 31 March 2017 carried forward	197	197	(1)	196
<u>Movement in Reserves during 2017/2018</u>				
Total Comprehensive Expenditure and Income	(52)	(52)	-	(52)
Adjustments between accounting basis & funding basis under regulations (note 5)	2	2	(2)	-
Decrease in Year 2017/2018	(50)	(50)	(2)	(52)
Balance at 31 March 2018 carried forward	147	147	(3)	144

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

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category is usable reserves, i.e. those that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves. The second category is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

As at 31 March 2017 £000		As at 31 March 2018 £000
	Current Assets	
208	Cash Held By Dundee City Council (note 10)	196
<u>208</u>		<u>196</u>
	Less Current Liabilities	
(13)	Short Term Creditors (note 16)	(52)
<u>195</u>	Total Net Assets	<u>144</u>
	Represented By:	
196	Usable Reserves (note 6)	147
(1)	Unusable Reserves (note 7)	(3)
<u>195</u>		<u>144</u>

The unaudited accounts were issued on 25 June 2018 and the audited accounts were authorised for issue on 27 September 2018.

Gregory Colgan, BAcc(Hons), ACMA, CGMA
Treasurer
Dundee, Perth, Angus and North Fife
Strategic Development Planning Authority
27 September 2018

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

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of requisitions from Constituent Authorities. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2016/17		2017/18
£000		£000
(11)	Net surplus deficit on the provision of services	(52)
<u>9</u>	Adjust net deficit on the provision of services for non cash movements (note 9)	<u>40</u>
(2)	Net decrease in cash and cash equivalents (note 8)	(12)
<u>210</u>	Cash and cash equivalents at the beginning of the reporting period	<u>208</u>
<u>208</u>	Cash and cash equivalents at the end of the reporting period (note 10)	<u>196</u>

The cash balance is managed by Dundee City Council.

**DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS**

1 ACCOUNTING POLICIES

A General Principles

The Annual Accounts summarise the Authority's transactions for the 2017/2018 financial year and its position at the year-end of 31 March 2018. The Authority is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 1985. Section 12 of the Local Government in Scotland Act 2003 requires that they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/2018 and the Service Reporting Code of Practice 2017/2018, supported by International Financial Reporting Standards (IFRS). The accounting convention adopted in the Annual Accounts is principally historical cost.

B Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenses in relation to services received (including those rendered by the Authority's employees) are recorded as expenditure when the services are received, rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents comprise short term lending that is repayable on demand or within 3 months of the Balance Sheet date and that is readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement (page 17), cash and cash equivalents are repayable on demand and form an integral part of the Authority's cash management.

D Events after the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

E Leases

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg if there is a rent-free period at the commencement of the lease).

F Reserves

Reserves are created by appropriating amounts out of the General Reserve Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Reserve Balance in the Movement in Reserves Statement so that there is no net charge against requisition income for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets and retirement benefits and these reserves do not represent usable resources for the Authority. Further information on the Authority's reserves is contained in notes 6 and 7.

G VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about future events. The key judgement made in the Statement of Accounts relates to the high degree of uncertainty about future levels of funding for public bodies. The Authority has determined that this uncertainty is not sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to reduce levels of service provision.

The Scottish Government has published its position statement on the Planning Review which included its intent to remove Strategic Development Plans, the Planning (Scotland) Bill is currently progressing through Parliament and it is anticipated it will be approved in September 2018. The Statutory duty will remain until the legislation is passed, albeit in the case of the Tayside, Dundee, Perth and North Fife SDPA no work will be undertaken in relation to Strategic Development Plan 3 and the SDPA will function at a minimal level to ensure it complies with its duty under the 1997 Planning Act. Despite the uncertainties around the future of SDPA, annual accounts for 2017/2018 are prepared adopting the going concern accounting and reporting policy.

3 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET BEEN ADOPTED

There were no relevant accounting standards that have been issued but are not yet adopted in the 2017/2018 Code of Practice on Local Authority Accounts in the United Kingdom.

4 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT - FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2016/17 £000		2017/18 £000
(1)	Interest receivable and similar income	(1)
(1)	Total	(1)

5 MOVEMENT IN RESERVES STATEMENT - ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

	General Reserve Balance £000	Movement in Unusable Reserves £000	Total 2017/18 £000
Movements in 2017/2018			
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2	(2)	-
Total Adjustments	2	(2)	-

	General Reserve Balance £000	Movement in Unusable Reserves £000	Total 2016/17 £000
Comparative Movements in 2016/2017			
Adjustment involving the Accumulating Compensated Absences Adjustment Account:			
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	-	-	-
Total Adjustments	-	-	-

6 BALANCE SHEET - USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement on page 14.

7 BALANCE SHEET - UNUSABLE RESERVES

2016/17 £000		2017/18 £000
(1)	Accumulating Compensated Absences Adjustment Account	(3)
(1)	Total Unusable Reserves	(3)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Reserve Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Reserve Balance is neutralised by transfers to or from the Account.

2016/17		2017/18
£000		£000
(1)	Balance at 1 April	(1)
1	Settlement or cancellation of accrual made at the end of the preceding year	1
(1)	Amounts accrued at the end of the current year	(3)
-	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)
(1)	Balance at 31 March	(3)

8 NET CASH FLOW FROM OPERATING ACTIVITIES

The net cash flows from operating activities of £12k (2016/2017 £2k) include the following items:

31 March 2017		31 March 2018
£000		£000
1	Other Receipts from finance activities	1

9 NET SURPLUS OR DEFICIT ON THE PROVISION OF SERVICE FOR NON CASH MOVEMENTS

2016/17		2017/18
£000		£000
5	Movement in short term debtors	-
4	Movement in short term creditors	40
9	Total	40

10 CASH FLOW STATEMENT - CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2017		31 March 2018
£000		£000
208	Cash managed by Dundee City Council	196
208	Total cash and cash equivalents	196

11 MEMBERS ALLOWANCES

In 2017/2018 the Authority there were no payments made for Members Allowances (2016/2017 None)

12 EXTERNAL AUDIT COSTS

Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Authority is required to submit statutory accounts for audit. The Accounts Commission has advised that the auditor of the Authority will be Audit Scotland. The total fee payable to Audit Scotland for 2017/2018 for external audit services is £2,810 (2016/2017 £2,771).

13 EVENTS AFTER THE BALANCE SHEET DATE

There were no events that occurred between 1 April 2018 and 27 September 2018 that would have an impact on the 2017/2018 financial statements (2016/2017 none). The latter date is the date on which the accounts were authorised for issue by the Treasurer.

14 RELATED PARTIES

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

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 2017/2018 financial year, the Authority entered into the following transactions with these four Councils as detailed below:

2016/2017			2017/2018	
Income From £000	Charges From £000		Income From £000	Charges From £000
Angus Council				
51	-	Local Authority Contribution	46	-
-	15	Contribution Rebate	-	46
51	15		46	46
Dundee City Council				
51	-	Local Authority Contribution	46	-
1	-	Interest On Revenue Balances	1	-
-	14	Management Recharge	-	-
-	8	Corporate Services	-	8
-	15	Contribution Rebate	-	46
52	37		47	54
Perth & Kinross Council				
51	-	Local Authority Contribution	46	-
-	15	Contribution Rebate	-	46
51	15		46	46
Fife Council				
51	-	Local Authority Contribution	46	-
-	15	Contribution Rebate	-	46
51	15		46	46

The undernoted balance existed between the Authority and its related parties as at 31 March 2018.

31 March 2017			31 March 2018	
Amounts Due from £000	Amounts Due To £000		Amounts Due From £000	Amounts Due To £000
-	11	Dundee City Council	-	3
-	-	Perth & Kinross Council	-	46
-	<u>11</u>		-	<u>49</u>

15 Authority as Lessee

Finance Leases

The Authority held no assets on finance lease during 2017/2018 and accordingly, there were no finance lease rentals paid to lessors during 2017/2018 (2016/2017 Nil). The Authority has no commitments to making payments to lessors in respect of finance leases.

Operating Leases

Operating lease rental payments of £14,190 were made during 2017/2018 (2016/2017 £13,515). These relate to property rental.

In respect of operating leases, the Authority is committed to making payments to lessors of £1,892 in 2018/2019 on a lease expiring on 6 July 2018.

16 SHORT TERM CREDITORS

	31 March 2017 £000	31 March 2018 £000
Local authorities	11	49
Other entities and individuals	2	3
Total	13	52

17 CONTINGENT LIABILITIES

No contingent liabilities existed at 31 March 2018 (31 March 2017 None).

18 CONTINGENT ASSETS

No contingent assets existed at 31 March 2018 (31 March 2017 None).

19 DEFINED BENEFIT PENSION SCHEMES

Staff were entitled to be members of the Superannuation Scheme which is administered by Dundee City Council. This provides staff with defined benefits upon their retirement, and the SDPA contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

In line with sections 6.4.1.7 – 6.4.1.8 of the Code, in certain circumstances an authority whose pension plan provides defined benefit pension benefits to its employees is required to account for the pension plan as if it were a defined contribution plan. This includes if an authority is not able to identify its share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes. The Authority, as a Joint Committee participating in the Local Government Pension Scheme and preparing its accounts in accordance with the Code, meets this criteria.

The employing authority is responsible for all pension payments related to “added years” it has awarded, together with related increases. There are no awards in respect of staff seconded to SDPA.

In 2017/2018, the SDPA reimbursed Dundee City Council £5,291 (£13,292 in 2016/17) in respect of superannuation contributions representing 17% of pensionable pay.

Independent Auditor's Report

Independent auditor's report to the members of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority and the Accounts Commission

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Dundee, Perth, Angus and North Fife Strategic Development Planning Authority for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Expenditure and Funding Analysis, Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the Authority as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Treasurer and Dundee, Perth, Angus & North Fife Strategic Development Planning Authority for the financial statements

As explained more fully in the Statement of Responsibilities for the Annual Accounts, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Authority is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Bruce Crosbie FCCA
 Senior Audit Manager
 Audit Scotland
 4th Floor
 102 West Port
 Edinburgh – EH3 9DN
 27 September 2018

REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE MEETING ON 27th SEPTEMBER 2018

REPORT ON: PLANNING PERFORMANCE FRAMEWORK 2017/18

REPORT BY: DAVID LITTLEJOHN, INTERIM STRATEGIC DEVELOPMENT PLAN AUTHORITY MANAGER

REPORT NO: SDPA 9-2018

1 PURPOSE OF REPORT

- 1.1 This Report provides an update on TAYplan's Planning Performance Framework for 2017/18.

2 SUMMARY

- 2.1 TAYplan has submitted the seventh annual Planning Performance Framework (Appendix 1) to the Scottish Government ahead of the July 2018 deadline. It demonstrates improved performance and progress in meeting statutory deadlines for preparing the Strategic Development Plan. Feedback on this 2017/18 Framework is anticipated in October 2018.

3 RECOMMENDATION

- 3.1 It is recommended that the Joint Committee:
- a) Note the Planning Performance Framework (Appendix 1) submitted to the Scottish Government.

4 FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications arising within this budget year.

5 PLANNING PERFORMANCE FRAMEWORK

- 5.1 The new Planning Performance Framework (Appendix 1) covers the year April 2017 to March 2018. The majority of TAYplan's work over this time has been on assembling various material to commence the preparation of the third Strategic Development Plan (or any successor dependent on the planning review). The key Planning Performance Framework areas for measurement are as follows:
- Quality of outcomes
 - Quality of service and engagement
 - Governance
 - Culture of continuous improvement

- 5.2 The Planning Performance Framework shows that TAYplan has met the performance markers during this reporting period.

6 CONSULTATIONS

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

7 BACKGROUND PAPERS

- 7.1 Planning Performance Framework Guidance 2015/16 by Heads of Planning Scotland
<https://hopscotland.files.wordpress.com/2013/02/planning-performance-framework-guidance-version-5-mar-2016.pdf>

David Littlejohn
Interim Strategic Development Plan Authority Manager
18 September 2018

**REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE STRATEGIC
DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE
MEETING ON 27th SEPTEMBER 2018**

REPORT ON: PLANNING REVIEW

**REPORT BY: DAVID LITTLEJOHN, INTERIM STRATEGIC DEVELOPMENT
PLAN AUTHORITY MANAGER**

REPORT NO: SDPA 10-2018

1 PURPOSE OF REPORT

- 1.1 This report provides an update on the review of the Scottish planning system.

2 SUMMARY

- 2.1 The Scottish Government introduced the Planning (Scotland) Bill into the Scottish Parliament on the 4 December 2017. The Bill sets out the proposed reforms to the planning system as a whole including those to the system of development planning. The Stage 1 report on the Planning Bill was published in May 2018 and Stage 2 will commence in September 2018.

3 RECOMMENDATION

- 3.1 It is recommended that the Joint Committee:
- a) Note the update on the review of the Scottish planning system.

4 FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the Planning (Scotland) Bill. However, the Bill may affect how strategic planning is delivered and funded in future.

5 REVIEW OF THE SCOTTISH PLANNING SYSTEM

- 5.1 As Members will recall during 2015/16 an Independent Panel undertook a review of the Scottish planning system on behalf of Scottish Ministers. The Panel published its recommendations in May 2016.
- 5.2 The Panel recommended the abolition of Strategic Development Plans and that their functions; including setting housing supply targets and land requirements should transfer to an enhanced National Planning Framework.
- 5.3 The Panel also recommended that Strategic Development Planning Authorities should be re-purposed to support infrastructure and delivery focussed partnership working and have some statutory role to support the preparation of the newly enhanced National Planning Framework.

- 5.4 In July 2016 Scottish Ministers made an initial response on the Panel's recommendations. They also committed to work with the Strategic Development Planning Authorities and other organisations to determine the most appropriate way to proceed.
- 5.5 In January 2017 Scottish Ministers published Places, People and Planning setting out an integrated package of proposed improvements to the planning system. Consultation on these proposals closed on 4 April 2017 and an independent analysis of the consultation responses was subsequently published. This consultation process has informed the preparation of the drafting of the Planning (Scotland) Bill.

6 PLANNING (SCOTLAND) BILL

- 6.1 The Scottish Government introduced the Planning (Scotland) Bill in the Scottish Parliament on the 4 December 2017. The Bill sets out the proposed reforms to the planning system as a whole, including development planning.
- 6.2 The Bill proposed substantial changes in the preparation, form and content of development plans. Strategic Development Plans (SDPs) for Scotland's four city-regions will be abolished, removing this statutory tier of regional development planning.

7 APPROVAL BY THE PARLIAMENT

- 7.1 The Scottish Parliament Local Government and Communities Committee published its Stage 1 report on the Planning Bill during May 2018. This was followed by the Stage 1 debate in the Chamber.
- 7.2 The Parliament is currently in summer recess and Stage 2 of the Planning Bill is scheduled to take place during September 2018. This will commence on 12th September and committee discussion is anticipated to be 6-8 weeks. There have been a significant number of amendments put forward. The deadline for amendments to be submitted is 4th September for Scottish Government amendments and 6th September for all other amendments. A daily list of amendments submitted is being published on the Scottish Parliament website.

8 CONSULTATIONS

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

9 BACKGROUND PAPERS

- 9.1 Scottish Parliament Local Government and Communities Committee Stage 1 Report:
<http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11566&i=104862>

- 9.2 Scottish Parliament Local Government and Communities Committee Stage 1 debate:
<http://digitalpublications.parliament.scot/Committees/Report/LGC/2018/5/17/Stage-1-Report-on-the-Planning--Scotland--Bill>
- 9.3 Scottish Parliament Local Government and Communities Committee Stage 2 suggested amendments
<http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11566&i=104862>

David Littlejohn
Interim Strategic Development Plan Authority Manager
18 September 2018

