

REPORT TO: DUNDEE, PERTH, ANGUS AND NORTH FIFE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY
JOINT COMMITTEE MEETING ON 25th FEBRUARY 2014

REPORT ON: TAYplan BUDGET UPDATE AND 3 YEAR PROJECTIONS

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AUTHORITY MANAGER

REPORT NO: SDPA04-2014

1 PURPOSE OF REPORT

1.1 This report provides an update on the Strategic Development Planning Authority's budget for the year ending 31st March 2014 and the SDPA Manager's 3 year budget projections to the period 31st March 2017.

2 SUMMARY

2.1 The projected expenditure within the current financial year 2013/14 is £298,700 more than previously projected and reported to Members at the last Joint Committee meeting (SDPA11-2012: TAYplan Budget Update). The 3 year SDPA Manager's budget projections are: 2014/15 - £266,500 (£286,500 inc. £20k of refunds); 2015/16 - £265,000; and 2016/17 - £301,000. The reserve balance is projected at £173,800.

2.2 The TAYplan Board agreed with the TAYplan Manager to reduce the proposed carry over by refunding each Council £10,000 either in this current financial year or next. Two Councils have received this refund which is shown in the current budget year, hence the increase in projected expenditure. This report also advises on setting a minimum reserve of £25,000 to manage financial risks.

3 RECOMMENDATION

3.1 It is recommended that The Joint Committee:

- a) Note the current budget projections for current year ending 31st March 2014 as set out in Appendix One;
- b) Note the SDPA Manager's 3 year budget projections to 31st March 2017 as set out in Appendix Two and monitoring thereof; and,
- c) Note that a minimum £25,000 reserve should be maintained.

4 FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from this report.

5 BUDGET UPDATE

Budget update for current year ending 31st March 2014

- 5.1 The budget expenditure for the financial year 2013/14 is set out in Appendix One. The main areas of expenditure beyond staff relate to research through external consultancy work to inform the Main Issues Report.
- 5.2 Planning Aid for Scotland has been commissioned to provide support through the consultation and engagement stage. Planning Aid Scotland are assisting in the organisation of events and will deliver all of the events. The output from these events can also inform other plans and strategies, including Community Plans and the scope of the events will be designed to provide consultation and input into the review of the Tactran Regional Transport Strategy. Tactran have confirmed a contribution of £1,500 towards this commission. In addition, the Scottish Government are providing £5,000 grant which have allowed us to deliver 8 community events rather than 4 together with a digital narrated flythrough of the area.
- 5.3 Replacement of the TAYplan teams computer equipment is required, the timing of which may be in this financial year. The specification and timescales are currently being confirmed. This is estimated at approximately £3,000.
- 5.4 The projected expenditure for this current financial year, 2012/13 is £298,700.

Proposed 3 year budget to 31st March 2017

Context

- 5.5 The SDPA Manager's budget projections are based on delivering the current Project Plan, as agreed by The Joint Committee in October 2012 (Report 11-2012: SDPA Project Plan) and based on annual contributions of £60,000p.a. per Authority. The Planning etc. Scotland Act 2006 (section 10(9)) requires a subsequent Strategic Development Plan to be submitted within 4 years after the date on which the current plan was approved by the Scottish Ministers (8th June 2012). The consequence of this is that the development plan-making process is continuous.

Proposed Three Year Budget

- 5.6 The proposed budget for the next three years is:
- | | |
|---------|--|
| 2014/15 | £266,500 (£286,500 including the £20k refunds) |
| 2015/16 | £265,000 |
| 2016/17 | £301,000 |

- 5.7 Appendix Two provides the detailed breakdown of the three year projections for information. Over the period to March 2017 there are a number of costs which are proposed to remain largely unchanged, for example office rent. The known differential costs relate to temporary staffing, external consultancy, legal fees, advertising, and printing. These reflect the different annual activities in the process of preparing a Strategic Development Plan.
- 5.8 A temporary Planner post is currently being re-filled to December 2014 and an Internship has been awarded for the period end February to August 2014.

Justification

- 5.9 Within the context of wider budget pressures, these three year budget projections are presented as the most realistic and cost efficient. These projections are based on actual costs on the process to date of producing the first Plan.

Reserve Balance

- 5.10 To reduce the projected reserve balance in this and next financial years, the TAYplan Board and Manager agreed to a refund of £10,000 to each Council either in this financial year or next. Both Fife and Perth & Kinross Councils have been refunded in this financial year and Dundee and Angus will be refunded in 2014/15 financial year. Given the current financial pressures on the four Councils and the level of reserve, this decision was considered prudent to manage the TAYplan budget within the short term.
- 5.11 A positive reserve balance is projected at the end of this current financial year of £173,800 (Appendix One). The reserve balance is projected to decrease in 2014/15 to £128,300 and to £44,100 at March 2017 (Appendix Two).
- 5.12 The reduction over the next 3 years projected in the reserve requires to be managed. It is considered prudent to have a minimum reserve to best ensure that any financial risks are planned for. Dundee City Council as Treasurer to TAYplan SDPA recommends that £25,000 is held as a balance in reserve. The projected reserve in 2016/17 is £44,100 and 2017/18 only £13,200. Taking account of identified risks it is considered that a minimum reserve of £25,000 should be retained. This will require more detailed budget considerations in 2015/16 financial year.

Justification for reserve balance 2013/14

- 5.13 The reserve balance has increased in recent years due to actual costs being less than projected, for example the examination. As outlined in Para's 5.9 to 5.11 above this is being managed to reduce the reserve in the short term. The remaining projected reserve will be monitored annually.

6.0 CONSULTATIONS

- 6.1 The Treasurer and Clerk to TAYplan, the Director of Communities, Angus Council, The Director of City Development, Dundee City Council, Head of Enterprise, Planning & Protective Services, Fife Council and the Head of Planning & Regeneration, Perth & Kinross Council have been consulted and are in agreement with the contents of this report.

7.0 BACKGROUND PAPERS

- 7.1 Report SDPA07-2013: TAYplan Budget Update, Joint Committee, 1st October, 2013.
- 7.2 The Planning etc. Scotland Act 2006
http://www.legislation.gov.uk/asp/2006/17/pdfs/asp_20060017_en.pdf.
- 7.3 Town and Country Planning (Scotland) Act 1997
(<http://www.scotland.gov.uk/Publications/2005/01/20576/50663>)

Pamela Ewen
Strategic Development Planning Authority Manager
13 February 2014

Appendix One

		13/14 Projected	13/14 Ledger updated at 13/12/13 (£)	13/14 Committed (£)	13/14 Base Budget (£)	Projected Variance (£)
STAFF COSTS						
	GROSS PAY	124,976	83,644	0	124,276	700
	SUPERANNUATION	22,829	14,879	0	22,991	(162)
	NATIONAL INSURANCE	11,302	7,309	0	10,923	379
	STUDENTS/TEMPORARY/CASUAL STAFF RELOCATIONS	9,617	7,395	0	18,000	(8,383)
				0	0	0
	TRAINING/CONF/OTHER STAFF EXPENSES	2,250	1,217	0	2,250	0
		170,974	114,444	0	178,440	(7,466)
PROPERTY COSTS						
10100	RENT	14,191	10,643	0	14,300	(109)
		14,191	10,643	0	14,300	(109)
SUPPLIES & SERVICES						
24111	BOOKS & MATERIALS	200	45	0	200	0
24106	STATIONERY	2,808	1,238	1,570	2,750	58
20302	OFFICE FURNITURE & EQUIPMENT	1,000	0	0	1,000	0
26000	COMPUTER CONSUMABLES inc. licences	10,750	4,070	1,075	10,750	0
24005	PRINTING & PHOTOCOPYING	8,000	67	0	8,000	0
26900	POSTAGES	1,500	0	0	1,500	0
26111	TELEPHONES	210	97	0	500	(290)
25010	LEGAL FEES	500	336	0	30,000	(29,500)
27202	ADVERTISING	1,000	398	0	1,000	0
25003	AUDIT	2,790	0	0	3,100	(310)
27210	HOSPITALITY	1,500	839	0	1,500	0
27300	VENUE HIRE	300	75	0	300	0
	EXAMINATION	-	0	0	0	0
		30,558	7,165	2,645	60,600	(30,042)
TRANSPORT COSTS						
27700	CAR ALLOWANCES	750	301	0	750	0
35700	OTHER TRANSPORT COSTS	2,500	967	0	2,500	0
		3,250	1,268	0	3,250	0
3RD PARTY PAYMENTS						
25020	EXTERNAL CONSULTANTS	46,500	27,720	18,800	40,000	6,500
	REFUND OF CONTRIBUTIONS	20,000		20,000		20,000
		66,500	27,720	38,800	40,000	26,500
SUPPORT SERVICES						
27800	RECHARGE FROM CENTRAL DPTS (LEGAL etc)	8,000	0	8,000	8,000	0
		8,000	0	8,000	8,000	0
	TOTAL GROSS EXPENDITURE	293,473	161,240	49,445	304,590	(11,117)
INCOME						
	CONTRIBUTIONS LA	240,000	240,000	0	240,000	0
78900	SALE OF DOCUMENTS	300	0	0	300	0
70600	INTEREST ON REVENUE BALANCES	1,000	0	0	1,000	0
	CONSULTATION & ENGAGEMENT CONTRIBUTION	6,500	0	1,500	1,500	5,000
	TOTAL INCOME	247,800	240,000	0	242,800	5,000
	NET EXPENDITURE	45,673	(78,760)	49,445	61,790	(16,117)
RESERVE						
	Opening Reserve Balance	224,691			224,691	0
	Transfer To / (From) Reserve	(45,673)			(61,790)	16,117
	Balance Carried Forward	179,018			162,901	16,117

Appendix Two

		14/15 Projected	15/16 Projected	16/17
<u>STAFF COSTS</u>				
	GROSS PAY	126,354	128,521	131,104
	SUPERANNUATION	23,376	23,776	24,254
	NATIONAL INSURANCE	11,155	11,396	11,679
	STUDENTS/TEMPORARY/CASUAL STAFF RELOCATIONS	21,300	23,250	3,100
		0		
	TRAINING/CONF/OTHER STAFF EXPENSES	2,250	2,250	2,250
		184,435	189,193	172,387
<u>PROPERTY COSTS</u>				
10100	RENT	14,300	14,300	14,300
		14,300	14,300	14,300
<u>SUPPLIES & SERVICES</u>				
24111	BOOKS & MATERIALS	200	200	200
24106	STATIONERY	2,750	2,750	3,000
20302	OFFICE FURNITURE & EQUIPMENT	1,000	1,000	1,000
26000	COMPUTER CONSUMABLES inc. licences	11,000	11,000	11,250
24005	PRINTING & PHOTOCOPYING	8,000	12,000	14,000
26900	POSTAGES	1,500	1,500	1,500
26111	TELEPHONES	500	500	500
25010	LEGAL FEES	0	0	15,000
27202	ADVERTISING	6,000	6,000	2,000
25003	AUDIT	2,800	2,800	2,800
27210	HOSPITALITY	1,500	1,500	1,500
27300	VENUE HIRE EXAMINATION	1,000	1,000	300
		0	0	30,000
		36,250	40,250	83,050
<u>TRANSPORT COSTS</u>				
27700	CAR ALLOWANCES	1,000	750	750
35700	OTHER TRANSPORT COSTS	2,500	2,500	2,600
		3,500	3,250	3,350
<u>3RD PARTY PAYMENTS</u>				
25020	EXTERNAL CONSULTANTS	20,000	10,000	20,000
	REFUND OF CONTRIBUTIONS	20,000		
		40,000	10,000	20,000
<u>SUPPORT SERVICES</u>				
27800	RECHARGE FROM CENTRAL DPTS (LEGAL etc)	8,000	8,000	8,000
		8,000	8,000	8,000
TOTAL GROSS EXPENDITURE		286,485	264,993	301,087
INCOME				
	CONTRIBUTIONS LA	240,000	240,000	240,000
78900	SALE OF DOCUMENTS	200	200	300
70600	INTEREST ON REVENUE BALANCES	800	800	600
	CONSULTATION & ENGAGEMENT CONTRIBUTION	0	0	-
	TOTAL INCOME	241,000	241,000	240,900
NET EXPENDITURE		45,485	23,993	60,187
RESERVE				
	Opening Reserve Balance	179,018	133,533	109,540
	Transfer To / (From) Reserve	(45,485)	(23,993)	(60,187)
	Balance Carried Forward	133,533	109,540	49,353