

# Planning Committee

2.00pm, Wednesday, 29 January 2020

## SESplan Operating Budget 2020/2021

Executive/routine	
Wards	All
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### 1. Recommendations

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- 1.1 It is recommended that the Committee:
- 1.1.1 ratifies the decision of the South East Scotland Strategic Development Plan (SESplan) Joint Committee to approve the SESplan Operating Budget 2020/2021 (Appendix 1);
  - 1.1.2 notes that contributions for 2020/2021 will be nil; and
  - 1.1.3 notes that future operating budgets and contributions will be reviewed in relation to outcomes of the Scottish Government's work on National Planning Framework 4 and provisions for Regional Spatial Strategy working.

**Paul Lawrence**

Executive Director of Place

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## SESplan Operating Budget 2020/2021

### 2. Executive Summary

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- 2.1 The Council is required to ratify the operating budget of the SESPlan the body responsible for preparing the Strategic Development Plan (SDP). The 2020/2021 proposed budget has been approved by the SESplan Joint Committee and this report seeks ratification of the decision. The operating costs will be met using SESplan reserves. There will be no contributions required from member authorities.

### 3. Background

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- 3.1 SESplan is the SDP Authority for South East Scotland. It is a partnership of six-member authorities including Edinburgh, East Lothian, Midlothian, Fife, Scottish Borders and West Lothian, working together on strategic development planning matters.
- 3.2 SESplan has a notional core team of staff, however, due to departures of staff in advance of the removal of the current strategic planning duties as set out in the Planning (Scotland) Act 2019, SESPlan work is carried out by member authority staff guided by the Project Board, which reports to a Joint Committee. The Committee consists of two members from each member council. SESplan is resourced from equal financial contributions by the six-member authorities.
- 3.3 SESplan's key role is to prepare and maintain an up to date SDP for the South East Scotland area. The purpose of the SDP is to set out a vision for the long-term development of the city region and deal with cross boundary issues such as housing and transport. The first SDP was approved by Scottish Ministers on 27 June 2013. There is a requirement to review the SDP within four years of its approval. A Proposed Plan was submitted on 26 July 2017. Post examination of the Proposed Plan (SDP2) concluded on 20 July 2018 and a report of recommendations was submitted to Scottish Ministers. The Scottish Ministers rejected SDP2 on 13 May 2019. SESplan continues to be the statutory body with a duty to prepare a strategic development plan for the area, although the Planning (Scotland) Act 2019 provides for a replacement of that strategic planning regime in due course.

- 3.4 An annual operating budget is prepared by SESplan. The SESplan Joint Committee approved the SESplan Operating Budget 2020/2021 on 25 November 2019. SESplan financial rules require that this decision is ratified by member authorities.

## 4. Main report

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- 4.1 The current financial year's operating budget is £183,248. At November 2019 underspend of £165,184 was forecast. This represents a significant saving on the approved operating budget for 2019/2020.
- 4.2 A total of £73,500 was included for technical support. Due to the absence of a core team and that SESplan has no scope to prepare a plan or supplementary guidance following the Scottish Ministers' rejection of SDP2 and the timescales for changes to strategic planning set out in the Planning (Scotland) Act 2019.
- 4.3 Fixed costs relate to existing ongoing contracts for the Objective Connect online portal, IT and website provision and maintenance and audit/professional fees.
- 4.4 The 2019/2020 operating budget was met from SESplan reserves with nil contributions for member authorities. To manage reserves, a rebate of £5,000 to each authority will be issued in this financial year. It is intended that this then be redirected to assist with consideration of Regional Spatial Strategies.
- 4.5 The SESplan Operating Budget 2020/2021 sets out total expenditure of £84,000.
- 4.6 In 2020/2021 the SESplan work programme will be only to fulfil its statutory requirements in respect of the existing legislation on strategic planning.
- 4.7 The work of SESplan will continue to be resourced via the member authorities, with an Acting Plan Manager to fulfil that statutory requirement and managed by the Project Board. The budget retains a provision of £65,000 should this be required for Regional Spatial Strategy consultancy work. For other fixed costs within 2020/2021, costs related to rents payable, travel and mobile line rental will be zero as there will be no dedicated SESplan Core Team. The largest spend is IT which includes the running and maintenance of the Objective Connect online portal.
- 4.8 The full budget is set out in the SDP Manager's report in Appendix 1 to this report.
- 4.9 Each member authority is liable for one sixth of the annual Operating Budget. Using the reserves built up in previous years and based on the assumptions outlined above, the SESplan Joint Committee agreed that nil contributions are made by the SESplan member authorities in 2020/2021.
- 4.10 The Planning (Scotland) 2019 Act removes the requirement for strategic planning that SESplan was set up to fulfil. Instead, authorities have a duty to prepare a Regional Spatial Strategy. This can be done by the authority acting alone or as part of a group of authorities. A further report will be brought to Planning Committee with proposed arrangements for Regional Spatial Strategy working.

- 4.11 The work, role and remit of SESplan and the requirement for strategic planning beyond 2020/2021 other than statutory requirements around audit, finance and governance is not clear at this stage. On that basis indicative operating budgets beyond 2020/2021 are not identified.
- 4.12 Future operating budgets will be reviewed against the outcome of the Scottish Government's work on National Planning Framework 4. Once National Planning Framework 4 is approved, SESplan will be formally disbanded. Any remaining financial reserves at that stage will be returned to the constituent authorities.

## **5. Next Steps**

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- 5.1 The decision on the report will be reported back to the SESplan Project Board and Joint Committee.

## **6. Financial impact**

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- 6.1 In respect of SESplan and financial considerations:
- 6.1.1 the Council has a statutory duty to be part of the SDP process;
  - 6.1.2 there is no budgetary impact in this financial year as all costs are being met from SESplan reserves; and
  - 6.1.3 there are no cost implications.

## **7. Stakeholder/Community Impact**

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- 7.1 There is no community impact arising from the report and no requirement for community consultation on the SESplan budget process. The report confirms the proposed 2020/21 budget as having zero cost to the Council and the Council's statutory duties in respect of SDP will be met through SESplan reserves.
- 7.2 There are no equalities, health and safety, governance, compliance or regulatory implications that elected members need to take into account when reaching their decision.
- 7.3 There are no carbon impacts, climate change adaption or sustainable development impacts arising from this report.

## **8. Background reading/external references**

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- 8.1 [SESplan Development Plan Scheme 11](#)
- 8.2 [Report to Planning Committee 11 December 2017 SESplan Operating Budget 2019/20](#)

## **9. Appendices**

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- 9.1 Appendix 1 – SDP Manager’s Report to SESplan Joint Committee, 25 November 2019, Item 6 SESplan Operating Budget: 2019/20 and 2020/21 Budget

## ITEM 6 – SESplan Operating Budget: 2019/20 and 2020/21 Budget

Report By: Pam Ewen, Chief Officer Planning, Fife Council and SESplan Board Chair

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### Purpose

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This report presents an update on the SESplan Operating Budget for 2019/2020 and sets out the SESplan Operating Budget for 2020/2021 for Joint Committee approval.

### Recommendations

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It is recommended that the SESplan Joint Committee:

1. Note the updated forecast expenditure against the approved Operating Budget for 2019/2020 set out within Appendix 1 to this Report;
2. Approve a rebate of £5,000 per each of the six constituent Councils within the current 2019/20 financial year;
3. Approve the updated Operating Budget for 2020/2021 set out within Appendix 1 to this Report;
4. Note that member contributions for financial year 2020/2021 are nil;
5. Note that member authorities will be required to ratify decision 3 above; and,
6. Note that an Operating Budget for 2021/2022 will be brought to a meeting of the SESplan Joint Committee in late 2020.

### Resource Implications

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It is projected that significant savings will be achieved this financial year as SESplan continues to operate through the SESplan Board, Joint Committee and a virtual team across the constituent authorities. A projected expenditure of £18,064 and a saving of £165,184 is forecast for 2019/2020. To manage the reserve a £30,000 rebate, if Recommendation 2 above is approved, will reduce the reserve balance to £130,187 at 31 March 2020. Appendix

One to this report builds in the projection based on the recommended rebate. Total expenditure for 2020/2021 is projected to be £84,000. As a consequence of the reserves built up in 2019/2020 and the further savings and staffing assumptions outlined below for 2020/2021, it is proposed that nil contributions are made by the SESplan member authorities in 2020/2021.

### **Legal and Risk Implications**

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The budget for 2020/2021 is allocated in principle with a focus on consultancy fees given the future governance arrangements for SESplan. Future Operating Budgets will be required to be reviewed against the provisions of the Planning (Scotland) Act 2019 and the associated secondary legislation as it is published and further details are known.

### **Policy and Impact Assessment**

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No separate impact assessment is required.

## **1. Background**

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- 1.1 The SESplan Financial Rules set out that Operating Budgets for the next financial year should be proposed by the SDP Manager, approved by the SESplan Joint Committee and that decision ratified by the member authorities by the end of December.
- 1.2 In compliance with these rules, the SESplan Joint Committee at its meeting on the 26 November 2018 agreed to approve the Operating Budget for 2019/2020.

## **2. SESplan Operating Budget 2019/2020**

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- 2.1 The latest position on the SESplan Operating Budget for 2019/2020 as at November 2019 is included as Appendix 1.
- 2.2 Traditionally the largest spend by SESplan has been on staffing. As set out in Appendix 1, the approved Operating Budget 2019/2020 includes a total staffing budget of

£75,000. However, as SESplan continues to operate through the Board, Joint Committee and a virtual team across the constituent authorities, significant savings have been achieved this financial year. The absence of a SESplan core team and no requirement to provide a dedicated staffing resource or associated office costs results in a forecasted £91,684 underspend of fixed costs. The only fixed cost expenditure projected to be incurred this financial year relates to existing ongoing contracts for the online consultation portal (which hosts SESplan documents); the SESplan IT and web site provider; and the annual external auditing of SESplan accounts.

2.3 The approved 2019/2020 Operating Budget also includes an allowance of £73,500 for technical support/variable costs. As highlighted above, due to the absence of a core team and that SESplan is not within a plan preparation phase, no technical support/variable costs are projected to be incurred within 2019/2020.

2.4 The total expenditure within 2019/2020 is projected to be £18,064, which set against a budget of £183,248 results in a projected variance (underspend) of £165,184. This has resulted in the constituent authorities not being required to contribute the £60,000 income budgeted for in this financial year. Additionally, given the significant level of savings to assist in managing the reserve within the 2019/20 period, a rebate to each of the six constituent Councils of £5,000 would reduce the reserve by £30,000, as set out in Recommendation 2. This would also provide an opportunity for Councils to assist in collaboratively resourcing work on regional spatial planning through the Regional Growth Framework. The projected reserve at 31 March 2020 as set out in Appendix One is £130,187.

### **3. SESplan Operating Budget 2020/2021**

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3.1 As detailed in Appendix 1, the budget for 2020/2021 is allocated in principle with a focus on consultancy fees given the future governance arrangements for SESplan. The consultant fees are projected as £65,000 which reflects the total technical support/variable costs budget for undertaking any regional spatial planning consultancy work.

3.2 Staffing assumptions for 2020/2021 reflect the existing governance arrangements, with SESplan continuing to operate through the Board, Joint Committee and virtual team across the constituent authorities. This will continue to achieve significant operating cost savings. Again, as in 2019/2020, the only fixed cost expenditure projected to be incurred in 2020/2021 relates to existing ongoing contracts for the online consultation portal; the SESplan IT and web site provider; and the annual external auditing of SESplan accounts. Total fixed cost expenditure is projected to be £19,000.

3.3 As detailed in Appendix 1, the Budget for 2020/2021 sets out total expenditure of £84,000. Using the reserves built up in 2019/2020 and on the further savings and staffing assumptions outlined above, it is proposed that nil contributions are made by the SESplan member authorities in 2020/2021. This will result in a usable reserve balance going into 2020/2021 of £130,187 which is in excess of the one month's operating costs target reserve.

#### **4. SESplan Operating Budget Going Forward**

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4.1 Future Operating Budgets will be required to be reviewed against the provisions of the Planning (Scotland) Act 2019 and the associated secondary legislation as it is published and further details are known.

#### **Appendices**

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Appendix 1: 2019/2020 Operating Budget, Forecast and Variance and 2020/2021  
Operating Budget

#### **Report Contact**

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## Appendix 1: 2019/2020 Operating Budget, Forecast and Variance and 2020/2021 Operating Budget

DESCRIPTION	19/20 Budget	19/20 Projection	19/20 Variance	20/21 Budget
Staff	75,000	0	(75,000)	0
Training	1,000	0	(1,000)	0
Rents Payable (Including Service Charge)	4,292	0	(4,292)	0
Travel	1,500	0	(1,500)	0
IT Hardware,Software and Maintenancer)	15,500	14,564	(936)	15,500
Mobile Line Rental	206	0	(206)	0
Audit/Professional Fees	3,400	3,500	100	3,500
Miscellaneous	8,850	0	(8,850)	0
<b>Total Fixed Costs</b>	<b>109,748</b>	<b>18,064</b>	<b>(91,684)</b>	<b>19,000</b>
<b>Technical Support</b>				
Printing/Photocopying Costs	4,000	0	(4,000)	0
Consultant Fees	65,000	0	(65,000)	65,000
Postages/Frinking	500	0	(500)	0
Advertising/Marketing	4,000	0	(4,000)	0
Other Services (Contingency 10%)	0	0	0	0
<b>Total Variable Costs</b>	<b>73,500</b>	<b>0</b>	<b>(73,500)</b>	<b>65,000</b>
<b>Total Expenditure</b>	<b>183,248</b>	<b>18,064</b>	<b>(165,184)</b>	<b>84,000</b>
Contribs/Rebates To/From Other LA'S	(60,000)	30,000	90,000	0
Interest On Revenue Balances	0	0		0
<b>Total Income</b>	<b>(60,000)</b>	<b>30,000</b>	<b>90,000</b>	<b>0</b>
<b>Net</b>	<b>123,248</b>	<b>48,064</b>	<b>(75,184)</b>	<b>84,000</b>
Usable Reserve balance (at 31 March 2019 Budgeted £197,979/actual £178,251)	197,979	178,251		130,187
Take from/(add) to Reserves	123,248	48,064		84,000
Usable Reserve balance (at 31 March 2019 Budgeted £197,979/actual £178,251)	74,731	130,187		46,187
Usable reserves as % of expenditure	41%	721%		55%
Target Reserve (1 month's operating costs)	15,271	1,505		7,000
(Shortfall)/Surplus on target reserve of 1month's operating costs	59,460	128,682		39,187