

## ITEM 8 – FINANCE

Report by: Alice Miles, Acting SDP Manager

---

### Purpose

---

This Report presents an update on the SESplan Operating Budget for 2017 / 2018.

### Recommendations

---

It is recommended that the SESplan Joint Committee:

1. Note the updated forecast expenditure against the approved Operating Budget for 2017 / 2018 set out within Appendix 1 to this Report;
2. Note that an Operating Budget for 2019 / 2020 will be brought to the November 2018 meeting of the SESplan Joint Committee.

#### 1. Background

---

- 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. In compliance with these rules, the SESplan Joint Committee at its meeting on the 27 November considered an update on the SESplan Operating Budget for 2017 / 2018 and approved the SESplan Operating Budget for 2018 / 2019.

#### 2. SESplan Operating Budget 2017 / 2018

---

- 2.1 The latest position on the SESplan Operating Budget for 2017 / 2018 as at February 2018 is included as Appendix 1.

- 2.2 The largest spend by SESplan is on staffing. As set out in Appendix 1, the forecast for staffing at February 2018 was estimated at £102,000. The approved Operating Budget 2017 / 2018 includes a total staffing budget of £160,931. There is therefore a saving in staffing of just under £59,000. This primarily relates to the post of temporary planner being vacated in August rather than December 2017 and the part time SDP Manager position. There is also a current vacancy in the permanent planner position which has been filled by a graduate planner on a temporary contract from August 2017.
- 2.3 The Operating Budget for 2017 / 2018 also includes other fixed costs relating to training, rent and accommodation, travel, IT hardware, software and maintenance and audit / professional fees. The forecast sets out underspend in these areas in particular related to rent and accommodation and travel. The Core Team is currently made up of two members of staff, the rental agreement with West Lothian has therefore been updated to reflect the requirement for two rather than five desks. This has resulted in an underspend of around £3,195. Following the relocation of the Core Team to West Lothian, relocation travel expenses were payable for a three year period. Those members of staff eligible for the reimbursement of expenses have now left SESplan, therefore there is a forecast underspend in travel of £2,700.
- 2.4 Overall at February 2018, it is estimated that there will be a saving across all fixed costs of £70,230. This is an increase on the expected savings in November 2017 which were estimated at just under £64,000.
- 2.5 The approved 2017 / 2018 Operating Budget also includes an allowance for variable costs.
- 2.6 The largest spend in 2017 / 2018 is related to the Examination, where costs are met 50/50 with the DPEA. On the basis of costs related to other Examinations including CLYDEplan, the budget was reduced to £20,000, making a saving of £10,000. Costs to date on the examination, which are not yet reflected in the figures shown in Appendix 1, are around £10,000. The examination is anticipated to be concluded by the end of March, therefore it is expected that savings on the £20,000 budget will be made.

- 2.7 A Project Manager from Fife Council has now been appointed to lead on the preparation of Supplementary Guidance on a Developer Contributions Transport Framework and a Project Brief and Timeline agreed. A working group made up of officers from within the Member Authorities and Transport Scotland has also been convened. Any technical support spend on this work will now fall into the 2018 / 2019 financial year albeit that there will be a continuous review of additional work required in this area with an assessment of resources available in-house undertaken first to ensure best value and minimal spend where possible.
- 2.8 A sum of £2,500 has been allocated to technical support in financial year 2017 / 2018 and this relates to the provision of technical GIS and mapping support from the City of Edinburgh. SESplan does not have any mapping or GIS capability / expertise and mapping will be required in support of the Supplementary Guidance on Developer Contributions as well as Green Networks.
- 2.9 Across the entire Operating Budget for 2017 / 2018, the updated position as at February 2018 remains unchanged from that reported in November 2017 and is a forecast underspend of £134,730.

### **3. SESplan Operating Budget 2018 / 2019 Onwards**

---

- 3.1 As discussed at the SESplan Joint Committee in November 2017, the underspend in the 2017 / 2018 financial year resulted in the member contributions for 2018 / 2019 being set at £10,000 per member authority. Member contributions in 2017 / 2018 were set at £44,000, to reduce contributions to £10,000 in 2018 / 2019 represents a 23% saving. This is a budget proposition made for this year only as a pragmatic way of managing the significant reserves of around £192,500 expected to be built up by the end of 2017 / 2018. By the end of 2018 / 2019 reserves will be reduced to just over £69,000 which is around 38% of expenditure.
- 3.2 The Joint Committee decision to approve the Operating Budget for 2018 / 2019 has been ratified by the member authorities as follows:
- City of Edinburgh - Planning Committee 11 December 2017;
  - East Lothian – Full Council 27 February 2018;
  - Midlothian – To be considered by Full Council on the 23 March 2018;
  - Fife - The Fife Council contribution to SESplan is reported within the overall Service Budget which was approved at Full Council on the 22 February 2018;

- Scottish Borders - Full Council 25 January 2018; and
- West Lothian - Council Executive 23 January 2018.

3.3 The work of SESplan in 2018 / 2019 and beyond into 2019 / 2020 other than statutory requirements is unknown. Operating Budgets in these years will be required to be reviewed against the outcome of the ongoing planning review in terms of transitional arrangements, with new finance arrangements agreed as part of the establishment of any Regional Partnership. This will continue to be reviewed as the Planning Bill is published and further details are known.

#### **4. Next Steps**

---

4.1 It is requested that member authorities ensure that contributions will be in place by the start of the next financial year and note that an Operating Budget for 2019 / 2020 will be brought to the November 2018 meeting of the Joint Committee.

#### **Report Contact**

---

Alice Miles, Acting SDP Manager

01506 282880

[alice.miles@sesplan.gov.uk](mailto:alice.miles@sesplan.gov.uk)

#### **Appendices**

---

1 Operating Budget 2017 / 2018 Update



DESCRIPTION	17 / 18 Budget Approved at Joint Committee March 2017	17 / 18 Actuals as at February 2017	17/18 Budget Projection to 31 March 2017	Variance	18 / 19 Operating Budget Approved at Joint Committee November 2017
Staff	160,931	67,975	102,000	(58,931)	75,000
Training	1,000	1,066	2,000	1,000	1,000
Rent and Service Charge	7,487	2,028	4,292	(3,195)	4,292
Travel	4,200	(90)	1,500	(2,700)	1,500
Travel - Other	0	257	0	0	0
Travel - NI Contributions	0	(15)	0	0	0
Furniture	0	365	0	0	0
Audit Fees	3,400	(610)	3,400	0	3,400
IT Software	15,555	9,167	15,500	(55)	15,500
IT Maintenance	0	2,238	0	0	0
Mobile Line Rental	102	86	203	101	206
Mobile Call Charges	0	7	0	0	0
Event Costs	0	485	0	0	0
Miscellaneous Expenses	11,050	0	4,600	(6,450)	1,500
<b>Fixed</b>	<b>203,725</b>	<b>82,956</b>	<b>133,495</b>	<b>(70,230)</b>	<b>102,398</b>
<b>Technical Support</b>					
Printing / Photocopying	1,000	(114)	4,000	3,000	4,000
Technical Support	60,000	0	2,500	(57,500)	65,000
Postages / Franking	500	92	500	0	500
Advertising / Marketing	4,000	(2,363)	4,000	0	4,000
Other (Contingency 10%)	30,000	17,496	20,000	(10,000)	7,350
<b>Variable</b>	<b>95,500</b>	<b>15,111</b>	<b>31,000</b>	<b>(64,500)</b>	<b>80,850</b>
<b>Expenditure</b>	<b>299,225</b>	<b>98,068</b>	<b>164,495</b>	<b>(134,730)</b>	<b>183,248</b>
Member Authority Contributions	(264,000)	(264,000)	(264,000)	0	(60,000)
Interest on Revenue Balances	(200)	0	(500)	(300)	0
<b>Income</b>	<b>(264,200)</b>	<b>(264,000)</b>	<b>(264,500)</b>	<b>(300)</b>	<b>(60,000)</b>
<b>Net</b>	<b>35,025</b>	<b>(165,932)</b>	<b>(100,005)</b>	<b>(135,030)</b>	<b>123,248</b>
(Take From) / Add to Reserves	(35,025)		100,005		(123,248)
<b>NET TOTAL</b>	<b>0</b>		<b>0</b>		<b>0</b>
Usable Reserve Opening balance	(92,515)		(92,515)		(192,520)
Movement in Reserves in year	35,025		(100,005)	(135,030)	123,248
Usable Reserve Closing Balance	(57,490)		(192,520)		(69,272)
Usable reserves as % of expenditure			-117%		-38%