

**Strategic Development Plan for Edinburgh and South East Scotland
(SESplan): Ratification of 2020/21 Operating Budget**

Report by Dr Mary Smith Director of Education, Communities and Economy

1 Purpose of Report

- 1.1 The purpose of this report is to present the minutes of the SESplan Joint Committee meeting of 25 November 2019 and to seek ratification for the SESplan operating budget for 2020/21.

2 Background

- 2.1 SESplan is the Strategic Development Plan for Edinburgh and South East Scotland and covers six Council areas including City of Edinburgh, East Lothian, Midlothian, West Lothian, the Scottish Borders and the southern half of Fife. SESplan works in partnership with the six member authorities to prepare the strategic vision for the region. The plan is also used to inform local development plans. However, this is subject to change following the 2019 Planning Act which is being enacted in stages – a new National Planning Framework (NPF4) is scheduled for adoption in late 2021 and guidance on Regional Spatial Strategies is scheduled to be published in late 2021. NPF4 and a Regional Spatial Strategy will replace SESplan.
- 2.2 At its meeting of 25 November 2019 the Joint Committee considered a report on the current operating budget and approved the operating budget for 2020/21. The Joint Committee, in accordance with established procedures, requires the member authorities to ratify the budget decisions. The minute of the SESplan Joint Committee meeting of 25 November 2019 is attached to this report as Appendix A, and the associated SESplan Joint Committee Finance Report is attached as Appendix B.

2019/20 Budget

- 2.3 The operating budget for 2019/20, approved in November 2018, estimated a total expenditure of £183,248. The updated position at November 2019 estimated expenditure of £18,064 resulting in a forecast underspend of £165,184, which represents a 90% saving on the approved budget for the year. The budget variance is a consequence of; the absence of a SESplan core team (in part because of the uncertainty surrounding strategic planning matters arising from the Planning Act 2019) and by deferring transport modelling and appraisal work to support the preparation of Supplementary Guidance on Cross Boundary Developer Contributions (no longer required in its proposed form following the rejection of SESplan2 by Scottish Ministers in May 2019).

- 2.4 As a consequence of the significant projected underspend in 2019/20 the SESplan Joint Committee, at its meeting of 25 November 2019, approved a £30,000 rebate (£5,000 to each of the six member authorities).

2020/21 Approved Operational Budget

- 2.5 The budget for 2020/21 sets out total expenditure of £84,000. Using reserves and underspend from 2019/20 it is proposed that nil contributions are made by the SESplan member authorities in 2020/21.
- 2.6 The work of SESplan is being resourced from the six member authorities and project managed by the SESplan Project Board (which comprises the Planning Managers from the six authorities). Other fixed costs related to rents payable, travel and mobile line rental will be zero as there will be no dedicated SESplan core team. The proposed spend of £15,500 includes; the running and maintenance costs of Objective Connect (the SESplan document management system), the online SESplan consultation portal and the operation and running of the SESplan email and web site. These costs together with the Audit costs of £3,500 (incurred by Audit Scotland) will remain consistent with 2019/2020.

SESplan Operational Budget Going Forward

- 2.7 Future operating budgets will be required to be reviewed against the implementation of the 2019 Planning Act and any operational matters arising from SESplan working with The Edinburgh and South East Scotland Regional City Deal Joint Committee/Programme Office.

3 Report Implications

3.1 Resource

Using reserves and savings from 2019/20 means that there is a nil contribution for SESplan member authorities in 2020/21. This may not be the case in future financial years subject to the outcome of the ongoing planning review. Furthermore there has been a rebate of £5,000 in 2019/20.

3.2 Risk

There is no risk associated with ratifying the nil contribution budget for 2020/21. Budget issues will continue to be reviewed as the Planning Act is implemented.

3.3 Single Midlothian Plan and Business Transformation

The development plan process is relevant to the themes of adult health, care and housing; Improving opportunities in Midlothian; and sustainable growth.

3.4 Key Priorities within the Single Midlothian Plan

The Strategic Development Plan provides the spatial land use and development framework for the SESplan area. It also provides a framework for the preparation and adoption of the next Midlothian Local Development Plan. Both documents are vital components in ensuring

economic growth and business support opportunities across Midlothian.

3.5 Impact on Performance and Outcomes

The Strategic Development Plan is prepared in partnership with the five other SESplan partner Councils and once approved forms the basis for the preparation of the second Midlothian Local Development Plan (MLDP) in due course.

3.6 Adopting a Preventative Approach

The SDP provides strategic guidance and forward planning for investment in future growth and development in the wider city region, including Midlothian, over the period from 2013 to 2032 (SESplan1). Together with the MLDP, it will help to inform the future spending priorities of the Council and its community planning partners as well as other public, private and voluntary sector bodies.

3.7 Involving Communities and Other Stakeholders

The latest Development Plan Scheme (No. 11) outlined the progress of SDP2 preparation as of March 2019, the engagement activities undertaken throughout the process and the further steps to be taken if the plan was to be approved. Unfortunately SESplan2 was rejected by Scottish Ministers. Based on the SESplan2 decision and the Planning Act 2019 there are current no scheduled SESplan engagement activities planned.

3.8 Ensuring Equalities

The SDP Main Issues Report and Proposed Plan were the subject of an Equalities and Human Rights Impact Assessment, approved by the SESplan Joint Committee and ratified by the member Councils.

3.9 Supporting Sustainable Development

The SDP is subject to Strategic Environmental Assessment (SEA). A post adoption SEA Statement will be prepared following approval of the plan by Ministers.

3.10 IT Issues

There are no IT issues arising from this report.

4 Recommendations

4.1 Council is recommended to:

- a) note the minutes of the SESplan Joint Committee meeting of 25 November 2019;
- b) note that updated forecast expenditure of £18,064 against the approved SESplan operating budget for 2019/20; and
- c) ratify the 2020/21 SESplan operating budget of £84,000 (funded from SESplan reserves – with a nil contribution from member authorities including Midlothian).

Date: 31 January 2020

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Background Papers:

SESplan Joint Committee minute of meeting of 25 November 2019 and the associated SESplan Joint Committee finance report.



MINUTE of MEETING of the SESplan JOINT COMMITTEE

held in the Diamond Jubilee Room, City Chambers, Edinburgh

on Monday, 25th November, 2019 at 2.00 p.m.

Present: Councillor John Beare, Fife Council (Convener)
Councillor Altany Craik, Fife Council
Councillor Maureen Child, City of Edinburgh Council
Councillor Neil Gardiner, City of Edinburgh Council
Councillor Jim Goodfellow, East Lothian Council
Councillor Norman Hampshire, East Lothian Council
Councillor Russell Imrie, Midlothian Council
Councillor Peter Smaill, Midlothian Council

Apologies: Councillor Stuart Bell, Scottish Borders Council
Councillor Tom Miers, Scottish Borders Council
Craig McCorriston, West Lothian Council
Councillor Dom McGuire, West Lothian Council
Councillor Cathy Muldoon, West Lothian Council

In

Attendance: Iain McFarlane, City of Edinburgh Council
Paul Lawrence, City of Edinburgh
Robin Edgar, East Lothian Council
Pam Ewen, Fife Council
Peter Arnsdorf, Midlothian Council
Ian Aikman, Scottish Borders Council
Brian Frater, Scottish Borders Council
Fiona McBrierty, West Lothian Council
Wendy MacGregor, Fife Council (Clerk)

1. ORDER OF BUSINESS AND ANY URGENT MATTERS

The Convener confirmed that he was not aware of any urgent business and that the order of business was as per the agenda.

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2. **DECLARATIONS OF INTEREST**

None.

3. **MINUTES OF THE PREVIOUS MEETING HELD ON 30th SEPTEMBER, 2019**

The minute of meeting of 30th September, 2019 had been circulated.

DECISION

The Committee APPROVED the minute as a correct record subject to an amendment to include Councillor Altany Craik, Fife Council under apologies for absence.

4. **MATTERS ARISING**

The Convener advised that matters arising in relation to the SESplan Budget and Regional Spatial Planning update, would be dealt with under items 6 and 8 on the agenda.

5. **SESPLAN OPERATING BUDGET: 2019/20 AND 2020/21 BUDGET**

There had been circulated a report by Pam Ewen, SESplan Board Chair presenting an update on the SESplan Operating Budget for 2019/2020 and setting out the SESplan Operating Budget for 2020/21 for Joint Committee approval.

DECISION

The Committee AGREED -

1. to note the updated forecast expenditure against the approved operating Budget for 2019/20 set out in Appendix 1 to the report;
2. to approve a rebate of £5,000 per each of the six constituent councils within the current 2019/20 financial year;
3. to approve the updated Operating Budget for 2020/2021 set out in Appendix 1 to the report;
4. to note that member contributions for financial year 2020/2021 were nil;
5. to note that member authorities would be required to ratify item 3 of the decision;
- 6./

6. to note that an Operating Budget for 2021/2022 would be brought to a meeting of the SESplan Joint Committee in late 2020; and
7. to request that the SESplan Board review the 2020/2021 Operating Budget costs for IT Hardware, Software and Maintenance and Audit/Professional Fees and to consider whether there is a more cost effective way of delivering the services.

6. LIAISON WITH SCOTTISH GOVERNMENT

Peter Arnsdorf gave a verbal update on discussions with officials from the Scottish Government.

DECISION

The Committee AGREED -

1. to note that a meeting with Scottish Government officials would take place on 17th December, 2019; and
2. to note that a briefing would be provided to the Committee after the meeting on 17th December, 2019.

7. REGIONAL SPATIAL PLANNING: UPDATE ON PROGRESS

There had been circulated a report by Pam Ewen, SESplan Board Chair presenting an update on progress of areas of work being taken forward to inform future regional spatial planning.

DECISION

The Committee AGREED –

1. to note the work areas being progressed;
2. to note that the six SESplan constituent Councils are in agreement to work in a regional grouping to progress an indicative regional spatial strategy through a Regional Growth Framework to inform NPF4, noting that the whole of Fife Council would be within this area;
3. that an update to the Committee members on emerging regional work, including transport and planning will be provided; and
4. that a briefing is arranged with Committee members in February 2020 on Edinburgh City Council's City Plan, and progress with the Regional Growth Framework.

8. **APPOINTMENT OF CONVENER AND VICE CONVENER 2020-2022**

There had been circulated a report by Fiona McBrierty, West Lothian Council, setting out a proposal for the appointment of the Convener and Vice-Convener of the SESplan Joint Committee over the two-year period from 1 January 2020 to 31 December 2021 for agreement.

DECISION

The Committee agreed the appointment of Councillor Russell Imrie, Midlothian Council, as Convener, and Councillor Norman Hampshire, East Lothian, as Vice-Convener of the SESplan Joint Committee for the period 1st January 2020 to 31st December 2021.

9. **JOINT COMMITTEE DATES 2020**

DECISION

The Committee agreed the following dates for meetings in 2020: Monday, 30th March; and Monday, 21st September.

10. **AOCB**

On behalf of the Committee members, Convener, Councillor Russell Imrie, Midlothian Council, conveyed his gratitude and appreciation to Councillor John Beare during his appointment as Joint Committee Convener and to Pam Ewen, Fife Council, as SESplan Board Chair for their work and excellent leadership skills over the period 2018/19.

Councillor John Beare, Fife Council, acknowledged that Brian Frater, Scottish Borders Council would be retiring from his position in 2020 and had been a member of the SESplan Joint Committee since its establishment. On behalf of the Committee, Councillor Beare wished Brian Frater well for his future retirement.

The meeting concluded at 3.00 p.m.



The Strategic Development Planning Authority
for Edinburgh and South East Scotland

SESPLAN JOINT COMMITTEE

25 NOVEMBER 2019

FOR DECISION

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

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

Purpose

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

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

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

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

No separate impact assessment is required.

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.
- 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

- 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

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

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

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 Maintenanacer)	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
Total Fixed Costs	109,748	18,064	(91,684)	19,000
Technical Support				
Printing/Photocopying Costs	4,000	0	(4,000)	0
Consultant Fees	65,000	0	(65,000)	65,000
Postages/Franking	500	0	(500)	0
Advertising/Marketing	4,000	0	(4,000)	0
Other Services (Contingency 10%)	0	0	0	0
Total Variable Costs	73,500	0	(73,500)	65,000
Total Expenditure	183,248	18,064	(165,184)	84,000
Contribs/Rebates To/From Other LA'S	(60,000)	30,000	90,000	0
Interest On Revenue Balances	0	0		0
Total Income	(60,000)	30,000	90,000	0
Net	123,248	48,064	(75,184)	84,000
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