

**Strategic Development Plan for Edinburgh and South East Scotland
(SESplan): Budget and Governance****Report by Ian Johnson, Head of 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 the 14 December 2015 and to seek ratification for matters arising from the meeting relating to its operating budget for 2016/17 and amendments to its governance arrangements.

2 Background

- 2.1 The Minute of the SESplan Joint Committee of 14 December 2015 is attached as Appendix 1 to this report.

Financial Update and Approval of Proposed Operating Budget for period 2016/17

- 2.2 At its meeting of 28 September 2015 the Joint Committee agreed that financial monitoring statements would be prepared twice a year, once in October and once in April. The statement presented at the December meeting covered the period up to October 2015. A copy of the report is attached as Appendix 2 to this report. The report highlighted a forecast overspend on staffing costs of £4,792 for 2015/16 to cover increased costs relating to maternity leave and a forecast overspend of £1,800 on travel expenses and mileage, primarily a result of relocation expenses for the core team associated with the office accommodation move from central Edinburgh to Livingston. It is considered that travel expenses will remain at £5,100 for 2016/17 and into 2017/18 and 2018/19.
- 2.3 The planned administration support to assist with the Main Issues Report 2 consultation period was not required leading to a forecast underspend of £3,000. It was also reported that the full variable budget of £44,000 will be spent and that the difference between income and expenditure in 2015/16 will be covered by funding expenditure from reserves brought forward from previous years. The Joint Committee approved an operating budget of £286,336 for 2016/17 including member Council contributions of £46,550 per authority.

SESplan Governance Review

- 2.4 The review identified changes to the SESplan constitution, scheme of delegation and its financial rules. The changes and reasons for change together with copies of the updated documents are attached as Appendix 3 to this report. The main changes relate to:

- Extending the convenership of SESplan from one year to two in order to provide greater continuity to the process of preparing the Strategic Development Plan (SDP);
- Allowing the Joint Committee to approve Supplementary Guidance for consultation and reducing the requirement for, and delay caused by each member authority having to ratify this type of decision;
- adopt standing orders to clarify the arrangements for managing SESplan's business; and
- amend financial rules to confirm that the SESplan audit will be completed by an independent auditor.

It is noted at this stage that the outcome of the ongoing review by Scottish Ministers of the planning system in Scotland is unknown but may necessitate further review of, and changes to the governance of the Strategic Development Plan Authority.

3 Report Implications

3.1 Resource

Ratification of the SESplan operating budget requiring member Council contributions of £46, 550 per authority can be met within budget. Any future cost savings or reductions in operational costs would accrue to the Council in subsequent years.

3.2 Risk

The budgetary allocation of £46, 550 per member Council should be sufficient to accommodate most reasonable costs arising. If sufficient funding is not available to progress the SDP2 at a rate which provides an up-to-date strategic planning policy context, there are risks for the timeous progression of Local Development Plans.

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 (SDP) provides the spatial land use and development framework for the SESplan area for the next twenty years. It also provides a framework for the preparation and adoption of the Midlothian Local Development Plan. Both documents are vital components in ensuring economic growth and business support opportunities across Midlothian, together with meeting housing need and environmental quality of life factors.

3.5 Impact on Performance and Outcomes

This report contributes to the final stages of preparing the South East Scotland proposed SDP2. The 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 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 2018 to 2038. 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 SESplan Main Issues Report was the subject of public consultation in line with the SESplan Development Plan Scheme participation scheme. The latest Development Plan Scheme (No. 8) sets out the provisions for further engagement following publication the proposed SDP2.

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. An interim Environmental Report accompanied the Main Issues Report. An updated report will accompany the proposed plan when published.

3.10 IT Issues

There are no IT issues arising from this report.

4 Summary

- 4.1 Governance arrangements require each of the Strategic Development Planning Authority (SESplan) member Councils to approve the SESplan budget, as well as any changes to governance of the Authority as may have been agreed by the SESplan Joint Committee. The budget set by the Joint Committee is considered to be reasonable, with member Council contributions set at an appropriate level. The proposed changes to the constitution, the scheme of delegation and the financial rules are all considered to be acceptable.

5 Recommendations

5.1 Council is recommended to:

- a) note the minutes of the meeting of the SESplan Joint Committee meeting on 14 December 2015 and matters arising;
- b) ratify the 2016/17 operating budget of £286,336, including member Council contributions for 2016/17 of £46,550 per authority; and
- c) ratify the changes to the SESplan constitution, Scheme of delegation and its financial rules.

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Appendices to the Report:

- Appendix 1: SESplan Joint Committee Minute, 14 December 2015
- Appendix 2: SESplan Joint Committee, 14 December 2015 – Item 8 Finance Report
- Appendix 3: Proposed amendments to the SESplan Constitution, Scheme of Delegation and Financial Rules.
- Appendix 4: SESplan Joint Committee Standing Orders

