



**UNAUDITED
ANNUAL ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2020**

ANNUAL ACCOUNTS 2019/20

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MANAGEMENT COMMENTARY

Introduction

The "Strategic Development Planning Authority" was designated by Scottish Government Ministers on 25 June 2008 under the Planning etc. (Scotland) Act 2006. The Strategic Development Planning Authority has 12 members, with six being appointed by both Aberdeen City and Aberdeenshire Councils. The Chair and Vice Chair of the Strategic Development Planning Authority rotate on a 2 yearly cycle.

The Designation Order required Aberdeen City and Aberdeenshire Councils to jointly prepare and keep under review a Strategic Development Plan for a strategic development plan area. Such a plan sets out a vision for long term development focusing on cross boundary issues such as the amount and areas for housing, business and retail development, infrastructure provision and green belts. The terms of reference agreed by the two Councils required that, prior to the start of work on a Strategic Development Plan, the Strategic Development Planning Authority would take forward work on a Structure Plan commenced by the two Councils in early 2007. The Aberdeen City and Shire Structure Plan was approved by Scottish Ministers in August 2009.

Scottish Ministers approved the Aberdeen City and Shire Strategic Development Plan on 28 March 2014. Section 10(8) of the Town and Country Planning (Scotland) Act 1997 requires that, where there is a current Strategic Development Plan, a Proposed Strategic Development Plan must be submitted to Scottish Ministers within 4 years after the date on which the current plan was approved. Since 28th March 2018, the existing Strategic Development Plan has been beyond the 4 year period.

Officers wrote to Scottish Ministers asking that they use their Default Powers (under Section 23B of the 1997 Act) to instruct the Strategic Development Planning Authority to continue to prepare the next Strategic Development Plan. On the 31 July the Scottish Ministers directed the Strategic Development Planning Authority to continue to produce a Strategic Development Plan.

In March 2018 the Strategic Development Planning Authority published its Development Plan Scheme for 2018/19. It outlined a programme of work which covered; the production and consultation on a Main Issues Report, the production and consultation on a Proposed Strategic Development Plan and submission of the Proposed Plan and its supporting documents to Scottish Ministers for examination in public.

Work was completed on the review of this Plan, and a Proposed Strategic Development Plan was submitted to Scottish Ministers for Examination in April 2019. This Examination commenced in June 2019 and concluded in January 2020. The Examination recommended some minor amendments and the Proposed Strategic Development Plan 2018 has sat with Scottish Ministers for approval, as a whole or in part, or for rejection since January 2020.

Progress against Performance Indicators



The influence of a Strategic Development Plan has a longer timescale than a year and annual indicators of performance are not considered appropriate. As part of the review of the Strategic Development Plan 2014, a Monitoring Report was produced, [Monitoring Statement 2018](#). It considered the Strategic Development Plan 2014's performance against a number of its aspirational targets.

MANAGEMENT COMMENTARY (continued)




Performance - Progress in delivering Strategic Development Plan's aspirational targets

The Strategic Development Plan 2014 set out an ambitious strategy for growth across the City Region. The Plan promoted a generous level of employment and housing allowances coupled with a drive towards sustainable development, efficient use of the region's resources and infrastructure investment. More detailed policy development is taken forward through both the Aberdeen City and Aberdeenshire Local Development Plans.




Below are a number of the Strategic Development Plan 2014's aspirational targets and how they have been progressed since the Plan's implementation. Under Scottish Planning Policy, Strategic Development Plans are to set a long-term vision for a City Region. The Strategic Development Plan 2014 covered the period up to 2035. As such the progress towards the below aspirational targets are gauged at an early point in the strategy which will aim to be fully realised in the longer term.

Objective	Target	Progress 2014 – 2019	Direction of travel
Economic Growth	<ul style="list-style-type: none"> At least 60 hectares of marketable land available to businesses at all times within Aberdeen City and Aberdeenshire 	<p>The established employment land supply in Aberdeen City and Aberdeenshire is robust. There are 822 hectares of established and 491 hectares of marketable employment land. More detail can be found in the Aberdeen City and Shire Employment Land Audit 2017/18</p>	
		<p>which is approved by the Strategic Development Planning Authority.</p>	
	<ul style="list-style-type: none"> All new developments to have the use of high-speed telecommunication networks 	<p>The Aberdeen City Local Development Plan 2017 includes policy C11 - Digital Infrastructure states <i>"All new residential and commercial development will be expected to have access to modern, up-to-date high-speed communications infrastructure."</i></p> <p>The Aberdeenshire Local Development Plan 2017 includes policy P5 Digital infrastructure.</p> <p>It is evident that there is a challenge in providing access to fast broadband in rural areas. The Rest of Scotland programme addressed some of these areas with the aim to provide fast broadband speeds to areas that are poorly served by fibre connectivity. This has been superseded by the R100 programme which is set to follow. It is an unfortunate reality that there will be rural areas that are just not commercially viable for operators to invest in. However, there are other technologies out there that can address this. To this end the Strategic Development Plan 2014 supports the development of high-gigabit speed telecommunication networks through the use of multiple technologies.</p>	




MANAGEMENT COMMENTARY (continued)

<p>Sustainable development and climate change</p>	<ul style="list-style-type: none"> All new buildings to be carbon neutral by 2020 	<p>The Aberdeenshire Local Development Plan 2017 includes Policies C1 Using resources in buildings and C2 Renewable energy which seek to reduce emissions in new buildings and promote the use of renewable energy.</p> <p>The Aberdeen City Local Development Plan 2017 includes policies R7 - Low and Zero Carbon Buildings, and Water Efficiency and R8 Renewable and Low Carbon Energy Developments.</p> <p>These policies are monitored and reviewed during the review of both Local Development Plans.</p>	
	<ul style="list-style-type: none"> For the equivalent of the city region's electricity needs to be met from renewable sources by 2020. 	<p>While new onshore renewable generation has slowed over recent years, two offshore windfarms Hywind, off Peterhead, and EOWDC, off Aberdeen, have added approximately 356GWh to the supply annually.</p> <p>In addition to this, there are two consented offshore windfarms which are yet to start construction but would add 3,059GWh annually. The MORL (East) development is the most significant of these and it received 'Contract for Difference' support from the UK Government in September 2017. When completed over the next few years, these offshore developments would mean the region would produce the equivalent of over 175% of its electricity consumption needs.</p> <p>The Strategic Development Plan designated the substation at New Deer as a strategic Project in order to aid the delivery of the MORL (East) development.</p>	
<p>Population growth</p>	<ul style="list-style-type: none"> Increase the population of the city region to 500,000 by 2035 	<p>The population of the City Region reached 480,000 in 2012 and was estimated to be 489,880 in 2019 (NRS).</p> <p>The National Records for Scotland 2019 mid-year estimates currently show a slight increase in population. This has arrested a recent trend of 3 consecutive years of population decline for Aberdeen City and two consecutive years of population decline for Aberdeenshire.</p>	


MANAGEMENT COMMENTARY (continued)

	<ul style="list-style-type: none"> Move towards building at least 2,500 homes a year by 2016 and at least 3,000 by 2020 	<p>This aspiration to move towards building at least 2,500 homes a year by 2016 through the development plan has not become a reality. This is not due to land supply allocated through the Development Plan, as there is currently an effective land supply of over 34,000 homes according to the Aberdeen City and Shire Housing Land Audit 2019. Completions have been increasing year on year since 2012 with approximately 2,100 homes being delivered in 2019. Rather, current market demand has set the tone for delivery rates. Should delivery increase there is a robust land supply to accommodate this.</p>	
Quality of the environment	<ul style="list-style-type: none"> To ensure that development does not lead to the loss of, or damage to, built, natural or cultural heritage assets 	<p>The Aberdeenshire Local Development Plan 2017 includes policies E1: Natural heritage and E2; Landscape which seek to protect and enhance the natural environment. Policies HE1: Protecting listed buildings, sites and monuments and HE2: Protecting historic and cultural areas seek to do the same for cultural heritage.</p> <p>The Aberdeen City Local Development Plan 2017 includes the Policy NE8: Natural Heritage which champions the protection, preservation and enhancement of natural heritage. This is complemented by Policies D4: Historic Environment and D5 - Our Granite Heritage which seek to protect and enhance built heritage.</p> <p>These policies are monitored and reviewed during the review of both Local Development Plans.</p>	
	<ul style="list-style-type: none"> Avoid new development preventing water bodies achieving good ecological status under the Water Frameworks Directive. 	<p>The majority of water bodies achieved the same ecological status in 2014 as they did in 2013. Of the bodies that changed, the number achieving a degraded ecological status increased by 28 and the number achieving an improved status was 16, so there was a net decrease in quality of water bodies. While this net decrease cannot necessarily be attributed to development or the plan's strategy, progress towards this target is nonetheless negative.</p>	

MANAGEMENT COMMENTARY (continued)

<p>Sustainable mixed communities</p>	<ul style="list-style-type: none"> For 40% of all new housing in Aberdeen City to be on brownfield sites 	<p>The Aberdeen City and Shire Housing Land Audit indicated that 17% of the Aberdeen City established land supply is on brownfield sites. There are also large constrained sites which are located on brownfield sites which may come forward for development over the life of the Strategic Development Plan.</p>	
	<ul style="list-style-type: none"> For new housing to include appropriate levels of affordable housing (around 25%) and mix of types and sizes of homes. 	<p>Affordable housing schemes are generally delivered in tranches or programmed with phased releases. Completions by housing developers and RSLs are outwith the direct control of Councils. The result of this is variable yearly completion rates whereby some years may record high levels of completions and others lower levels of completions. With the exception of 2014/15 and 2016/17, there has been a steady increase year on year of affordable home completions across both Aberdeen City and Aberdeenshire Councils. These two years have reduced the average to 380 new affordable homes per year for the period. However, due to the SDP 2014's generous housing land allowances a pattern of increasing rates of affordable housing delivering is beginning to emerge. In 2016/17, 340 units were delivered and this has increased to 564 units in 2018/19.</p>	
<p>Accessibility</p>	<ul style="list-style-type: none"> For major employment and service developments to show they are easy to access by walking, cycling or using public transport. 	<p>The Strategic Development Plan 2014 carried forward the spatial strategy promoted by the Structure Plan 2009. It focuses new development in areas which will benefit from new and planned infrastructure improvements. Since the approval of the SDP 2014 there has been considerable investment in road and rail. The Aberdeen Western Peripheral Route (AWPR) has now opened, coupled with the dual carriageway to Balmedie. Work has commenced on the upgrade to the Haudigain roundabout and the Laurencekirk grade separated junction. Kintore station should be operational in 2020.</p>	

MANAGEMENT COMMENTARY (continued)

	<ul style="list-style-type: none"> • To reduce the percentage of journeys made by car. 	<p>An important issue for the plan has been the promotion of the link between spatial planning and transport infrastructure. This requires facilitating development which encourages walking, cycling and public transport. In order to do this, development must be focussed in areas well serviced by public transport.</p> <p>The most recent data relating to this is from 2009/10 and it can be safely assumed that, since this was collected, the number of stops has increased as well as the density of development in proximity to existing and new stops.</p> <p>The Scottish Household Survey (SHS), shows that accessibility by bus is much greater in Aberdeen than in Aberdeenshire due to their urban and rural characteristics. In Aberdeen City, 77.4% live within six minutes' walk of a bus service of at least three per hour – the equivalent figure for Aberdeenshire is 21.5%.</p> <p>The most recent population data is from 2012. When compared to the previous analysis we can see that there has been an increase of 6,263 people within 1.6km of a train station and 15,492 within 5km of a station, or 6.5% and 6% increase. This means that there has been a greater upswing in population closer to stations.</p>	
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There is ongoing analysis of key trend areas over time to consider the appropriateness of the plan and inform its review and production of subsequent plans.

The Strategic Development Plan, Housing Land Audit and Employment Land Audit all highlight the aspirational nature of the Strategic Development Planning Authority. Significant quantities of land are now available to the development industry as a result of the strategic framework and Spatial Strategy set by the Strategic Development Planning Authority.

The Strategic Development Planning Authority has been awarded a number of Plain English Campaign “Crystal Marks” which recognises the quality of the communications issued. The authority’s website allows interested parties access to the most up to date information on Strategic Development Plan preparation.

No performance indicators have been specifically identified to measure financial performance. However, the Strategic Development Planning Authority agrees a budget in advance of each year and considers a detailed budget monitoring report with a forecast for the year of income and expenditure at each meeting. This allows regular and close scrutiny of activities against specific financial targets to take place and is considered adequate for this organisation.

MANAGEMENT COMMENTARY (continued)

Financial Performance Review

The Strategic Development Planning Authority's core funding and the support for its strategic programme from partner Councils reflects their continued support. The budget provision for 2019/20 was £208,000 (2018/19: £142,000).

Financial Performance 2019/20

The outturn for 2019/20 was 58% under budget. The total operating expenses were £122,000 which is £86,000 under budget. In 2019/20 the Strategic Development Planning Authority had two members of staff which comprised a permanent Senior Planner and one Senior Planner, seconded from Aberdeenshire Council. The permanent Senior Planner left the Authority at the end of December 2019 and the seconded member of staff returned to their substantive post, with Aberdeenshire Council, at the end of March 2020. Costs other than staffing related to the Proposed Strategic Development Plan Examination, carried out by the Scottish Government.

In 2018/19 the Strategic Development Planning Authority had three permanent members of staff; one Team Leader seconded from Aberdeen City, one permanent Senior Planner and one Senior Planner seconded from Aberdeenshire Council.

Details of the performance against budget is detailed below.

	2018/19 Actual	2019/20 Budget	2019/20 Actual	% Actual v Budget
	£000	£000	£000	
Partner Council Requisitions	145	208	122	59%
Other Income / Reserves	-	-	-	0%
Total Income	145	208	122	59%
Staff Costs	135	161	94	58%
Other Costs	10	47	28	60%
Total Operating Expenses	145	208	122	59%
Net Surplus/(Deficit)	-	-	-	

MANAGEMENT COMMENTARY (continued)

Principal Risks and Uncertainties

The principal risk facing the Strategic Development Planning Authority, as with many such bodies, is the reliance on third party funding to support its annual programme.

The relationships with partners are close and each local authority partner is willing to jointly fund any strategic and regional planning which is required to be undertaken in light of the emerging National Planning Framework and the Planning (Scotland) Act 2019. Both local authority partners have appointed senior members of their staff to act as professional advisors and each has provided professional Officers to support the Strategic Development Planning Authority Team. This ensures that engagement is maintained between parties at a senior corporate level.

We are confident that all material risks facing the Strategic Development Planning Authority are known and that appropriate measures are in place to overcome, or at least mitigate, the impact that these may have on the continued operation of the Authority.

Principal Risks and Uncertainties (continued)

In addition, and particularly relevant to the Strategic Development Planning Authority, over the last few years the Scottish Government has been reviewing the operation of the planning system in Scotland. The Planning (Scotland) Bill was introduced in 2017 and proposed major changes to the planning system through amendments to the existing legislation dating from 1997. The Bill was passed by the Scottish Parliament on 20 June 2019 and received Royal assent on 25 July 2019. It has resulted in considerable changes for strategic planning which are summarised below:

- The National Planning Framework (NPF) now has enhanced status, and along with the Local Development Plan forms the statutory 'Development Plan'. It will set out targets for housing land, national transport strategies and strategic projects. It will be undertaken in consultation with Planning Authorities and key agencies with a 10-year review cycle. The Scottish Ministers may at any time amend the National Planning Framework.
- The statutory function to produce a Strategic Development Plan has been replaced by Regional Spatial Strategies. These are to be prepared by Planning Authorities alone or jointly with other Authorities. This function could be facilitated through the Strategic Development Planning Authority, as the status of the Authority has not been affected by the changes of the Planning (Scotland) Act 2019. Regard is to be given to an adopted Regional Spatial Strategy in preparing the National Planning Framework/Local Development Plan.

Although the statutory function to produce a Strategic Development Plan no longer exists, in reality there may still be a need to maintain a strategic planning function should both Aberdeen City Council and Aberdeenshire Council wish to produce a Regional Spatial Strategy. Scottish Ministers are also considering transitional arrangements, in particular for development planning.

MANAGEMENT COMMENTARY (continued)

Main Trends and Factors Likely to Affect the Future Development, Performance and Position of the Strategic Development Planning Authority's Business

The Strategic Development Plan was approved by Scottish Government Ministers in March 2014 and outlines the key issues that the Strategic Development Planning Authority will contribute towards. This will influence the relationships and direction of travel that the Strategic Development Planning Authority may follow. The Authority has submitted a replacement Strategic Development Plan to the Scottish Government for Examination in Public. In preparation for this, a Main Issues Report was prepared during the year and considered by the board in February 2018 before a ten week consultation period commenced. The Main Issues Report stimulated discussion and feedback and provided options for change on, for example, key planning policies and locations for potential development. The Strategic Development Planning Authority gave due consideration to submissions on the Main Issues Report and these informed the preparation of the Proposed Strategic Development Plan. A period of representation on the Proposed Strategic Development Plan ran from October to December 2018. The Proposed Strategic Development Plan was submitted to Scottish Ministers for Examination in April 2019. The Report of Examination was published in January 2020 and the Proposed Strategic Development Plan has rested with Scottish Ministers since then awaiting approval, partial approval or rejection.

This task was undertaken with the partner authorities, key agencies and relevant stakeholders. Since December 2017 the Chief Officer Strategic Place Planning (Aberdeen City Council) and Head of Service Planning and Environment (Aberdeenshire Council) have taken over the management duties associated with the Strategic Development Planning Authority. Such collaborative working will continue, with the Strategic Development Planning Authority's agile approach towards positioning itself to accommodate any significant changes affecting this sector and in particular those that have been identified in the wider development plans for the region.

Annual Accounts

The Strategic Development Planning Authority is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which section 12 of the Local Government in Scotland Act 2003 requires to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code), supported by International Financial Reporting Standards and statutory guidance issued under section 12 of the 2003 Act.

Going Concern

The removal of the requirement to produce Strategic Development Plans, and their replacement with Regional Strategic Strategies, was confirmed on the 25 July when the Planning (Scotland) Act 2019 received Royal Assent. However, the current commitment to delivery of the proposed Strategic Development Plan 2018 through Examination and Approval by Scottish Ministers remains and the Strategic Development Planning Authority remains responsible for that work. Transitional arrangements on the implementation of the Planning (Scotland) Act 2019 are expected to be published by the Scottish Government in the coming months. This will give greater clarity of the requirements to produce Regional Strategic Strategies.

MANAGEMENT COMMENTARY (continued)

There are no longer any permanent or seconded members of staff working for the Strategic Development Authority. Given that the primary expenditure of the Authority has been staffing costs, and there are no staff currently in post, there will be no requirement for a formal budget for 2020/21. Any costs arising from the approval of the Proposed Strategic Development Plan 2018, and its subsequent publication, will be jointly met by Aberdeen City Council and Aberdeenshire Council as required. Both Councils are committed to providing technical knowledge and resources to undertake regional or strategic development planning if required. The Board therefore has a reasonable expectation that the Strategic Development Planning Authority will continue in operational existence, albeit in a reduced regularity, for the foreseeable future. As this change in function is due to the changes in legislation and regulations referred to above, it is therefore considered appropriate to adopt a going concern basis for the preparation of these statements. It is likely that these Accounts will be the last set produced for the Strategic Development Planning Authority.

Audit Information

The Strategic Development Planning Authority at the date of this report confirms that:

- So far as they are aware, there is no relevant audit information of which the Strategic Development Planning Authority's auditor is unaware; and
- They have taken all the steps that they ought to have taken as a member or officer in order to make themselves aware of any relevant audit information and to establish that the Strategic Development Planning Authority's auditor is aware of that.

Remuneration Paid to the Auditor for Non-Audit Work

No remuneration was paid to the Strategic Development Planning Authority's external auditor for non-audit work during 2019/20.

Pension Liabilities

The Strategic Development Planning Authority does not employ staff of its own. During the year, three officers were seconded by the partner councils to the planning authority and their payroll costs were recharged accordingly. While such officers are members of the Superannuation Scheme administered by Aberdeen City Council, the liability for their pension related costs remains with the partner authorities as the employers and consequently, the Strategic Development Planning Authority does not reflect a pension liability on its balance sheet.

Events since the End of the Financial Year

The Planning (Scotland) Act 2019 received Royal assent in July 2019. The status of the authority has not been affected by the changes in the planning system introduced by the new legislation. Additional information regarding this has can be found above. In terms of financial reporting, there are no going concern matters arising for the 2019/20 annual accounts.

We are not aware of any adjusting event that would have impacted on the reliability of the information presented in this report or financial statements.

MANAGEMENT COMMENTARY (continued)

Future Developments

Future developments will generally be identified from a change in Government or local authority policy, changes in the development plan and / or wider economic changes in the region. Close links are maintained with appropriate government departments and the Strategic Development Plan has recently been refreshed. This has ensured that arising issues were identified early enough to allow any appropriate action to be taken to re-position the Strategic Development Planning Authority and its activities.

Councillor John Cox,
Chair,
Strategic Development
Planning Authority

Gale Beattie,
Chief Officer,
Strategic Place Planning,
Aberdeen City Council

Alan Wood,
MA (Hons),
CPFA
Treasurer

26 June 2020

REMUNERATION REPORT

Introduction

For the purposes of the local authority accounts, a remuneration report is prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014. These Regulations require local authorities to make certain disclosures about the remuneration and pension benefits of senior Councillors and senior employees employed by local authorities alongside the local authority accounts. The Strategic Development Planning Authority does not make payment to any member of the Strategic Development Planning Authority, whether elected Member or otherwise appointed, by way of salary, enhanced pension benefits or reimbursement of expenses.

The Treasurer and Clerk to the Strategic Development Planning Authority do not receive remuneration from the Strategic Development Planning Authority. Since December 2017 the Chief Officer Strategic Place Planning (Aberdeen City Council) and Head of Service Planning and Environment (Aberdeenshire Council) have taken over the management duties associated with the Strategic Development Planning Authority. The duties of these posts are covered by the post holders' substantive posts in their respective Councils.

The information disclosed in the tables below is subject to independent audit.

Arrangements for Remuneration

Staff remuneration in relation to their roles at the Strategic Development Planning Authority is set by reference to national arrangements agreed by the Scottish Joint Negotiating Committee for Local Authority Services. There are no bonuses or performance related pay. Officers receive business mileage and subsistence allowances in accordance with amounts either agreed nationally by the Scottish Joint Negotiating Committee or as approved locally by Aberdeen City or Aberdeenshire Council and adopted by the Strategic Development Planning Authority. Officers are eligible to join the Local Government Pension Scheme.

Remuneration of Relevant Persons

Remuneration for Year	Salary, Fees or Allowances £'s	Compensation for Loss of Employment £'s	Total 2019/20 £'s	Total 2018/19 £'s
Totals	-	-	-	-

REMUNERATION REPORT (continued)

Remuneration of Employees receiving more than £50,000

There were no Strategic Development Planning Authority employees who received more than £50,000 remuneration for the year in 2019/20. (2018/19 – no employees received more than £50,000).

Pension Benefits

The term pension benefits covers all in-year pension contributions for the employee by the Authority and any named person's accrued pension benefits, if still employed, at the reporting date.

Pension Benefits of Relevant Persons

	In-year pension contributions		Accrued annual pension benefits		Accrued pension Lump Sum	
	For year to 31 March 2020	For year to 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	£'s	£'s	£'s	£'s	£'s	£'s
	-	-	-	-	-	-
Totals	-	-	-	-	-	-

Notes:

All employees working for the Strategic Development Planning Authority are eligible to become members of the Local Government Pension Scheme.

The Local Government Pension Scheme provides defined benefits on retirement. The pension is based on the member's pensionable service (how long he or she has been a member of the Local Government Pension Scheme) and his or her pay. For officers with service before 1 April 2015 the pension is based on their final year's salary. For most people, with service up to 31 March 2009, the annual pension is calculated by dividing their pay by 80 (60 for service after 31 March 2009) and multiplying this by their total membership. For service after the 31 March 2015, the annual pension uses a career average methodology and is calculated by dividing the pensionable pay by 49 and adding this to their cumulative pension account, this in turn will be adjusted in line with the cost of living.

Pensions payable are increased annually in line with changes in The Pensions (Increase) Act 1971 and Section 59 of the Social Security Pension Act 1975.

The lump sum, which is automatically paid when the person retires, for service up to 31 March 2009, is normally three times his or her annual pension and is tax-free. There is no automatic lump sum for service after 31 March 2009. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

REMUNERATION REPORT (continued)

A Scheme member's contribution depends on his or her full-time equivalent pay. From 1 April 2009, a five tier contribution system was introduced with contribution from members being based on how much pay falls into each tier. The tiers for 2019/20 were adjusted slightly from the 2018/19 rates.

The tiers and rates are as follows:

Rates	2019/20	2018/19
5.50%	Up to and including £21,800	Up to and including £21,300
7.25%	Above £21,800 and up to £26,700	Above £21,300 and up to £26,100
8.50%	Above £26,700 and up to £36,600	Above £26,100 and up to £35,700
9.50%	Above £36,600 and up to £48,800	Above £35,700 and up to £47,600
12.00%	Above £48,800	Above £47,600

The value of the accrued benefits in the above table has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

For benefits that have been accrued up to 31 March 2015 that pension will be paid in full upon retirement as long as the member has reached the age of 65. For benefits that are accrued after the 1 April 2015 there may be a reduction if the member retires before their "Normal Pension Age".

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment. The above explanatory notes provide general information on the Local Government Pension Scheme and do not override the provisions of the Scheme.

Councillor John Cox,
Chair,
Strategic Development Planning
Council. Authority.

Gale Beattie,
Chief Officer Strategic Place Planning,
Aberdeen City

26 June 2020

ANNUAL GOVERNANCE STATEMENT

The Strategic Development Planning Authority has a responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used appropriately. This would include making arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this responsibility, the Strategic Development Planning Authority Management Team and Treasurer have put in place proper arrangements for the governance of resources, approved by the Strategic Development Planning Authority. The Strategic Development Planning Authority has adopted a [Code of Corporate Governance](#) which ensures the accountability and probity of officers. The Code is consistent with the principles and reflects the requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2016) as set out in Delivering Good Governance in Local Government: Framework (2016).

The governance framework comprises the systems, processes, cultures and values by which the Strategic Development Planning Authority is directed and controlled, and the activities used to engage with and lead the community. It enables the Strategic Development Planning Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Strategic Development Planning Authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The system of corporate governance and internal financial control is based on a framework of financial regulations, management information and appropriate delegation with accountability. In particular, the system includes:-

- The Strategic Development Planning Authority's Scheme of Governance, comprising Standing Orders, Delegations, Financial Regulations and Guidance;
- Management information;
- Performance and risk management;
- Comprehensive financial management systems;
- Periodic and annual financial reports;
- Clearly defined expenditure guidelines; and
- Periodic review of all financial procedures.

The corporate governance and internal control procedures are informed by:-

- Feedback from Councillors and the Strategic Development Planning Authority Board in carrying out its scrutiny role;
- The work of the Officers within the Strategic Development Planning Authority;
- Internal Audit & External Audit; and
- Partner and stakeholder feedback.

ANNUAL GOVERNANCE STATEMENT (continued)

Review of Effectiveness

The review of the effectiveness of the governance framework, including the system of internal control, is carried out throughout the year by various means involving:

- Reports to the Board;
- The Head of Legal and Governance who is the statutory Monitoring Officer in terms of the Local Government and Housing Act 1989 and provides legal advice to Councillors and senior officers;
- The Treasurer who has statutory responsibility for the Strategic Development Planning Authority's financial affairs in terms of Section 95 of the Local Government (Scotland) Act 1973. His responsibilities are set out in the Statement of Responsibilities;
- Internal Audit which is an independent review function of the Strategic Development Planning Authority and is responsible for the internal audit of all financial and non-financial systems of the Strategic Development Planning Authority and both Aberdeen City and Aberdeenshire Council; and
- External organisations that carry out independent audits or inspections of the Strategic Development Planning Authority. These include external audit by auditors appointed by the Accounts Commission.
- Self-assessment reviews undertaken by Partner authorities to demonstrate compliance with their respective Codes of Governance.

The Strategic Development Planning Authority's Code of Corporate Governance and the related systems of internal financial control provide reasonable assurance that objectives will be met. The Strategic Development Planning Authority adheres to the principles of openness, integrity and accountability and takes all reasonable steps to ensure assets are safeguarded, transactions are authorised and properly recorded, procedures are practical and adhered to and that material errors are either prevented or detected within a timely period, and corrective action taken.

Progress continues to be made in respect of risk management. Risk Management is viewed as essential in the context of financial governance. An increase in the awareness and consequences of risk have become more prevalent within the Strategic Development Planning Authority. The consideration of risk has been recognised in the budget setting report and will be considered in all financial governance procedures.

The Strategic Development Planning Authority relies on the financial systems of Aberdeenshire Council. Aberdeenshire Council's Chief Internal Auditor has the responsibility to review independently, and report to the Council's Audit Committee annually on the adequacy and effectiveness of the Council's internal control environment. The Chief Internal Auditor reports that, in his opinion, based on his evaluation of the Council's control environment, reasonable assurance can be placed upon the adequacy and effectiveness of the internal control system in the year to 31 March 2020. On the basis of the Chief Internal Auditor's report to Aberdeenshire Council's Audit Committee, we are satisfied that the arrangements provide assurance, are adequate and are operating effectively.

Councillor John Cox,
Chair,
Strategic Development Planning Authority

Gale Beattie,
Chief Officer Strategic Place Planning,
Aberdeen City Council.

26 June 2020

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Strategic Development Planning Authority's Responsibilities

The Strategic Development Planning Authority is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this case, that officer is the Treasurer to the Strategic Development Planning Authority;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Annual Accounts for signature.

Councillor John Cox,
Chair,
Strategic Development Planning Authority.

26 June 2020

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Strategic Development Planning Authority's Annual Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy/Local Authority (Scotland) Accounts Advisory Committee Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Code (in so far as it is compatible with legislation).

The Treasurer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Strategic Development Planning Authority at the reporting date and the transactions of the Strategic Development Planning Authority for the year ended 31 March 2020.



Alan Wood, MA (Hons), CPFA,
Treasurer.

26 June 2020

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ABERDEEN CITY AND SHIRE STRATEGIC DEVELOPMENT PLANNING AUTHORITY AND THE ACCOUNTS COMMISSION

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

This Statement shows the movement in the year on reserves held by the Strategic Development Planning Authority, analysed into 'usable' reserves and 'unusable' reserves. Usable reserves are those that can be applied to fund expenditure subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable reserves include reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the line "Adjustments between accounting basis and funding basis under regulations". The Strategic Development Planning Authority does not have any unusable reserves.

There are no statutory or presentation adjustments between the Authority's accounting basis and funding basis. The income and expenditure in the Comprehensive Income and Expenditure Statement is as reported in budget monitoring reports to the Strategic Development Planning Authority. Consequently, an Expenditure and Funding Analysis is not provided within these Annual Accounts.

The 'Surplus or (Deficit) on the provision of services' line shows the true economic cost of providing the Strategic Development Planning Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

	General Fund £000	Total Usable Reserves £000	Unusable Reserves £000	Total £000
Balance at 31 March 2018	-	-	-	-
	-	-	-	-
Total Comprehensive Income and Expenditure	-	-	-	-
Increase / (Decrease) in Year	-	-	-	-
Balance at 31 March 2019	-	-	-	-
Total Comprehensive Income and Expenditure	-	-	-	-
Increase / (Decrease) in Year	-	-	-	-
Balance at 31 March 2020	-	-	-	-

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED
31 MARCH 2020**

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from grants or requisitions. The Strategic Development Planning Authority receives contributions to cover expenditure in accordance with agreements. This may be different from the accounting cost and the effect on the General Fund is shown in the Movement in Reserves Statement.

			2018/19			2019/20		
£000	£000	£ 0 0 0		£000	£000	£000		£000
Expenditure	Income	Net	Note	Expenditure	Income	Net		Net
135	-	135	Staff Costs	94	-	94		94
7	-	7	Supplies and Services	28	-	28		28
3	-	3	Other Costs	-	-	-		-
145	-	145	Cost of Services	122	-	122		122
	-	(145)	Requisitions and Non-Specific Grant Income	-	(122)	(122)	12	(122)
		(Surplus) or Deficit on Provision of - Services						-
			Other Comprehensive Income and - Expenditure					-
		Total Comprehensive Income and						
		-	Expenditure					

BALANCE SHEET AS AT 31 MARCH 2020

The Balance Sheet shows the value as at the Balance Sheet date of assets and liabilities recognised by the Strategic Development Planning Authority. The net assets of the Strategic Development Planning Authority (assets less liabilities) are matched by the reserves held by the Strategic Development Planning Authority.

Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Strategic Development Planning Authority may use to provide services. The second category of reserves is unusable reserves, i.e. those that are not able to be used to provide services. The Strategic Development Planning Authority does not have any unusable reserves.

31 March 2019 £000		Note	31 March 2020 £000
-	Cash and Cash Equivalents	7	-
40	Short Term Debtors	8	61
<u>40</u>	Current Assets		<u>61</u>
(37)	Short Term Borrowing		(58)
(3)	Short Term Creditors	9	(3)
<u>(40)</u>	Current Liabilities		<u>(61)</u>
<u>-</u>	Net Assets		<u>-</u>
-	Usable Reserves		-
-	Unusable Reserves		-
<u>-</u>	Total Reserves		<u>-</u>



Alan Wood, MA (Hons), CPFA,
Treasurer.

26 June 2020

CASH FLOW STATEMENT

The Cash Flow statement shows the changes in cash and cash equivalents of the Strategic Development Planning Authority during the reporting period. The Statement shows how the Strategic Development Planning Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Strategic Development Planning Authority are funded by way of taxation and grant income or from the recipients of services provided by the Strategic Development Planning Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Strategic Development Planning Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Strategic Development Planning Authority.

2018/19 £000		2019/20 £000	Note
-	Net surplus or (deficit) on the provision of services	-	
<u>(74)</u>	Adjust net surplus or (deficit) on the provision of services for non cash movements	<u>(21)</u>	13
<u>(74)</u>	Net cash flows from Operating Activities	<u>(21)</u>	
(74)	Net increase in cash and cash equivalents	(21)	
<u>37</u>	Cash and cash equivalents at the beginning of the reporting period	<u>(37)</u>	
<u>(37)</u>	Cash and cash equivalents at the end of the reporting period	<u>(58)</u>	

No interest was received in either the current or prior year.

There were no investing or financing activities in either the current or prior year.

NOTES TO THE ACCOUNTS

Note 1 Accounting Policies

General Principles

The Annual Accounts summarises the Strategic Development Planning Authority's transactions for the 2019/20 financial year and its position at the year end of 31 March 2020. The Strategic Development Planning Authority is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014, of which section 12 of the Local Government in Scotland Act 2003 require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Annual Accounts is historical cost.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Accruals and Income and Expenditure

Income and Expenditure activities are accounted for in the year in which they take place, not simply when cash payments are made or received.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset at one entity and a financial liability or equity instrument at another entity.

The Strategic Development Planning Authority's Financial Assets are held as cash and cash equivalents.

Financial Liabilities

The Strategic Development Planning Authority's liabilities are shown as Creditors in the Balance Sheet and are for less than 12 months, they are initially measured at fair value and are subsequently carried at amortised cost, which equates to the actual cash value at 31 March 2020.

Requisitions and Contributions

Requisitions and contributions relating to revenue expenditure are accounted for on an accruals basis and recognised immediately in the Comprehensive Income and Expenditure Statement as income except where the grant or contribution has a condition(s) (as opposed to restriction) that the Strategic Development Planning Authority has not satisfied, in which case it is recognised as a Creditor.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Cash and Cash Equivalents

The Strategic Development Planning Authority uses Aberdeenshire Council's bank account for financial transactions and the balance is invested in the Council's Loans Fund. This balance is repayable on demand and therefore treated as a cash equivalent and is included in the Balance Sheet at amortised cost, which equates to the actual cash value at 31 March 2020.

Employee Benefits - Benefits Payable During Employment

The Strategic Development Planning Authority does not directly employ staff but reimburses the employing authorities for staff costs paid including any pension related costs as they are incurred.

Employee Benefits - Post-Employment Benefits

The Strategic Development Planning Authority's staff are on secondment from Aberdeen City and Aberdeenshire Council and as such are entitled to be members of the Superannuation Scheme which is administered by Aberdeen City Council. This provides staff with defined benefits upon their retirement, and the Strategic Development Planning Authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The arrangements for the Superannuation scheme mean that liabilities for these benefits cannot be identified specifically to the Strategic Development Planning Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the Chartered Institute of Public Finance and Accountancy. The total absorption costing principle is used with all overhead costs identified within the Strategic Development Planning Authority accounts.

Reserves

The nature of Strategic Development Planning Authority operations precludes it from creating reserves other than a General Fund. This Fund or general reserve captures all assets and liabilities that are not assigned to a special purpose fund.

Value Added Tax

Value Added Tax is included in the Comprehensive Income and Expenditure Statement only to the extent that it is irrecoverable.

NOTES TO THE ACCOUNTS (continued)

Note 1 Accounting Policies (continued)

Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable that occur between the end of the reporting period (the Balance Sheet date) and the date when the financial statements are authorised for issue.

There are two types of events:

- a) those that provide evidence of conditions that existed at the Balance Sheet date (adjusting events after the reporting period); and
- b) those that provide evidence of conditions that arose after the Balance Sheet date (non-adjusting events after the reporting period).

The accounts are adjusted to reflect adjusting events after the reporting period and are not adjusted to reflect non-adjusting events after the reporting period. Where a non-adjusting event would have a material effect, disclosure is made in the notes of the nature of the events and the estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

Note 2 Accounting Standards that have been issued but have not yet been adopted

The adoption of the following accounting standards by the Code in 2020/21 will result in changes in accounting policy:

- Amendment to IAS 28 Investments in Associates and Joint Ventures: Long Term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015 - 2017 Cycle
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement
- The implementation of IFRS 16 Leases has been deferred by CIPFA until the 2021/22 Code.

It is not anticipated that these changes will have a material effect for the Strategic Development Planning Authority.

NOTES TO THE ACCOUNTS (continued)

Note 3 New Accounting Standards effective in 2019/20

The following new standards, amendments and interpretations became effective in 2019/20 for the first time.

- Amendment to IAS40 Investment Property: Transfers of Investment Property
- IFRS12 Disclosure of Interests in Other Entities: Clarification of the Scope of the Standard
- IAS28 Investments in Associates and Joint Ventures: Measuring an Associate of Joint Venture at Fair Value
- IFRIC22 Foreign Currency Transactions and Advance Consideration
- IFRIC23 Uncertainty over Income Tax Treatments
- Amendments to IFRS9 Financial Instruments: Prepayment Features with Negative Compensation.

It is not anticipated that these changes will have a material effect for the Strategic Development Planning Authority.

Note 4 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Treasurer has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Annual Accounts are:

- The Planning (Scotland) Act 2019 has removed the main purpose of the Strategic Development Planning Authority. From 1st April 2020, the Authority has not had any staff, or a formal budget for 2020/21, but will remain in existence. These changes have resulted from changes in the legislative and regulatory framework, and not as a result of any financial shortfall. The Treasurer has determined that, on this basis, the Annual Accounts continue to be prepared on a going concern basis.

Note 5 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Annual Accounts do not contain any estimated figures that are based on assumptions made by the Strategic Development Planning Authority about the future or that are otherwise uncertain.

NOTES TO THE ACCOUNTS (continued)

Note 6 Events after the Balance Sheet Date

The Annual Accounts were authorised for issue by the Treasurer to the Strategic Development Planning Authority on 26 June 2019. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no material events since the date of the balance sheet which necessitate the revision of the figures in the financial statements or notes thereto including contingent liabilities or assets.

The Planning (Scotland) Act 2019 received Royal assent in July 2019. The effects of this have been outlined in pages 8 – 10 of the Management Commentary, above. In terms of financial reporting, the reduced function of the Strategic Development Planning Authority is a result of legislative changes. As such there are no going concern matters arising for the 2019/20 annual accounts, despite the probability of these Accounts being the final set prepared for the Strategic Development Planning Authority. The Strategic Development Planning Authority will meet in September 2020 to consider the future role of the Authority.

Note 7 Cash and Cash Equivalents

The balance of Cash and Cash Equivalents comprises:

	2018/19 £000	2019/20 £000
Temporary Investment in the Aberdeenshire Council Loans Fund	-	-
	<hr/>	<hr/>
	-	-

Note 8 Short Term Debtors

	2018/19 £000	2019/20 £000
Other Local Authorities	40	61
	<hr/>	<hr/>
	40	61

Note 9 Short Term Creditors

	2018/19 £000	2019/20 £000
Short Term Borrowing	37	58
Other Local Authorities	1	-
Other Entities and Individuals	2	3
	<hr/>	<hr/>
	40	61

NOTES TO THE ACCOUNTS (continued)

Note 10 Reserves

Movements in the Strategic Development Planning Authority's usable reserves are detailed in the Movement in Reserves Statement. The Strategic Development Planning Authority does not have any unusable reserves.

Note 11 External Audit Costs

The Strategic Development Planning Authority has incurred the following costs in relation to the audit of the Annual Accounts.

	2018/19	2019/20
	£000	£000
Fees payable in respect of external audit Services	3	3

Note 12 Requisition Income

The Strategic Development Planning Authority credited the following requisitions to the Comprehensive Income and Expenditure Statement.

	2018/19	2019/20
	£000	£000
Credited to Requisitions and Non Specific Grant Income:		
Requisition from Aberdeen City Council	72	61
Requisition from Aberdeenshire Council	73	61
	<hr/>	<hr/>
	145	122

Note 13 Cash Flow – operating activities

Adjustment to surplus or deficit on the provision of services for non-cash movements

	2018/19	2019/20
	£000	£000
Net Surplus/(Deficit) on the Provision of Services	-	-
Adjust net surplus or deficit on the provision of services for non-cash movements		
(Decrease) / Increase in Creditors	(180)	-
(Increase) / Decrease in Debtors	106	(21)
Net Cash Flows from Operating Activities	<hr/>	<hr/>
	(74)	(21)

NOTES TO THE ACCOUNTS (continued)

Note 14 Related Parties

The Authority is required to disclose material transactions with related parties, which are bodies or individuals that have the potential to control or influence the Authority, or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers of the Statements to assess the extent to which the Authority may have been constrained in its ability to operate independently, or may have secured the capacity to limit another party's ability to bargain freely with the Strategic Development Planning Authority.

Members

Members have direct control over the Strategic Development Planning Authority's financial and operational policies and decision making. No allowances or fees have been paid to Members in 2019/20 and there were no contracts awarded in which a Member had an interest.

Aberdeen City Council and Aberdeenshire Council

Aberdeen City Council and Aberdeenshire Council have a significant element of control over the general operations of the Strategic Development Planning Authority. They provide a significant element of funding through two specific grants and the elected Members that they appoint to the managing Board of the Strategic Development Planning Authority can exert significant influence on its operations and decision making processes. The amounts relating to each Council are detailed below.

	Amounts received from		Amounts paid to		Amounts due to/(from) as	
	2018/19	2019/20	2018/19	2019/20	at 31 March	
	£000	£000	£000	£000	2019	2020
					£000	£000
Aberdeenshire Council	73	61	101	93	-	-
Aberdeen City Council	72	61	42	-	(40)	(61)

Officers

The management of the Strategic Development Planning Authority is disclosed in the remuneration report on pages 13 - 15 of this document. These officers have the responsibility for planning, directing or otherwise controlling the activities of the Strategic Development Planning Authority. Their scope of control is determined by reference to the scheme of delegation and financial regulations adopted by the Strategic Development Planning Authority. The Strategic Development Planning Authority is satisfied that appropriate controls are in place to manage and monitor the activities of the key management personnel.

NOTES TO THE ACCOUNTS (continued)

Note 15 Financial Instruments

The Strategic Development Planning Authority's financial instruments comprise both debtors and creditors. All of these are for less than 12 months and are measured at fair value and subsequently carried at amortised cost which equates to the actual cash value at 31 March 2020.

There are no gains or losses recognised in the Comprehensive Income & Expenditure Statement in relation to financial instruments.

Nature and Extent of Risks Arising from Financial Instruments:

The Strategic Development Planning Authority has no material exposure to any of the following financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due.
- Liquidity risk – the possibility that the Strategic Development Planning Authority might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Strategic Development Planning Authority as a result of changes in such measures as interest rates and stock market movements.

The Strategic Development Planning Authority has reviewed all financial risks and does not believe that it is required to make any provision within the financial statements for any financial risk exposure.

Note 16 Pension Scheme Accounted for as a Defined Contribution Scheme

The Strategic Development Planning Authority's staff are on secondment from Aberdeen City and Aberdeenshire Council and as such are entitled to be members of the Superannuation Scheme which is administered by Aberdeen City Council. This provides staff with defined benefits upon their retirement, and the Strategic Development Planning Authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

For the purposes of the annual accounts it is therefore accounted for as a defined contribution scheme.

In 2019/20, the Strategic Development Planning Authority reimbursed Aberdeen City with £0, (£5,803 in 2018/19), and Aberdeenshire Council with £13,829, (£14,366 in 2018/19) in respect of superannuation contributions representing 19.3% of pensionable pay (2018/19: 19.3%). The employing authority is responsible for all pension payments related to "added years" it has awarded, together with related increases.

GLOSSARY OF TERMS

EXPENDITURE

Supplies and Services

Includes legal costs, audit fees and consultants' fees

INCOME

Requisitions:

Funding received from the constituent authorities.

OTHER

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom

FAIR VALUE

Fair Value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For land and buildings, fair value is the amount that would be paid for the asset in its existing use.

ECONOMIC COST

The total cost of performing an activity or following a decision or course of action.