



**AUDITED
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 two and a half 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 2014 Strategic Development Plan was approved in March 2014 and covers the period 2014 - 2018.

In 2017, new planning legislation was progressing through the Scottish Parliament which proposed and ultimately removed the requirement for a strategic development plan. However, on 31 July 2017, Scottish Ministers directed the Strategic Development Planning Authority to continue to produce a new strategic development plan.

A Proposed Strategic Development Plan covering the period 2019-2022 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 modifications to the Proposed Strategic Development Plan 2018. On 12 August 2020, Scottish Ministers approved the Strategic Development Plan subject to the modifications set out in the Report of Examination. The approved [Strategic Development Plan 2020](#) immediately replaced the Strategic Development Plan 2014. As a result of this, the development plan for the City Region is currently up to date.

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.

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 over the period up to 2035. 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. 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.

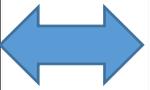
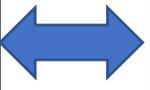
MANAGEMENT COMMENTARY (continued)

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.</p> <p>More detail can be found in the Aberdeen City and Shire Employment Land Audit 2018/2019 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 CI1 - 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.</p> <p>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 using 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>Both Aberdeen City and Aberdeenshire have published Proposed Local Development Plans which will refine and enhance the above policies. These policies will continue to be monitored and appraised during the review of these 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 which 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. The first offshore platform for a wind turbine was installed on the 10th of August 2020 and the first offshore cable landed in Inverboynie on the same date. When completed over the next few years, these offshore developments will mean the region would produce the equivalent of over 175% of its electricity consumption needs, or 40% of Scotland's electricity consumption needs.</p> <p>The Strategic Development Plan designated the substation at New Deer as a Strategic Project to aid the delivery of the MORL (East) development.</p>	

MANAGEMENT COMMENTARY (continued)

<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). 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>	
	<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>The aspiration to move towards building at least 2,500 homes a year by 2016 through the development plan has not become a reality.</p> <p>Completions have however been increasing year on year since 2012 with approximately 2,100 homes being delivered in 2019.</p> <p>There is effective land supply of over 34,000 homes according to the Aberdeen City and Shire Housing Land Audit 2019.</p> <p>Due to the Covid-19 crisis, the Housing Land Audit for 2020 has been delayed. In order to undertake meaningful consultation with key stakeholders from the development industry, many of whom were on furlough during the national lockdown period, the Housing Land Audit is now being conducted between September and December 2020.</p>	
<p>Quality of the environment</p>	<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 production of both councils' Local Development Plans.</p>	

MANAGEMENT COMMENTARY (continued)

	<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>	
Sustainable mixed communities	<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 a 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 Registered Social Landlords (RSL's) are out with the direct control of Councils.</p> <p>The result of this is variable yearly completion rates whereby some years may record high levels of completions and others lower levels of completions. Except for 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 being delivered is beginning to emerge. In 2016/17, 340 units were delivered, increasing to 564 units in 2018/19 and 671 units in 2019/20.</p> <p>The number of affordable units delivered in 2019/20 were split across the city region as follows: Aberdeenshire 270 and Aberdeen City 401.</p>	

MANAGEMENT COMMENTARY (continued)

<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 focused new development in areas likely to benefit from new and planned infrastructure improvements. Since the approval of the SDP 2014 there has been considerable investment in the road and rail network.</p> <p>The Aberdeen Western Peripheral Route (AWPR) has opened, coupled with the dual carriageway to Balmedie. Work has also commenced on the upgrade to the Haudigain roundabout, and the Laurencekirk grade separated junction.</p> <p>Draft Orders and the Environmental Impact Assessment Report for the proposed Laurencekirk scheme were published on 19 December 2019 for formal comment. A public exhibition was held on 10 January 2020, to allow local communities and road users to view proposals for the junction. The Statutory Consultation Period closed on 14 February 2020.</p> <p>The A96 Dualling East of Huntly Route Options have yet to be finalised by Transport Scotland. Drop-in sessions regarding the Route Options took place in May 2019, and the consultation period has since closed. Transport Scotland were not able to keep to their published timetable to announce a preferred route by the end of 2019.</p> <p>Prior to Covid-19, Kintore Station was on course to open, operationally, in mid-May 2020. However, all construction on site was halted in mid-March and has not yet resumed.</p>	
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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. To do this, development must be focused 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, increases of 6.5% and 6%. 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 to inform its review and the 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, a result of the strategic framework and the 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 financial 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 from partner Councils, and the support for its strategic programme, reflects their continued support. The budgeted provision for 2019/20 was £208,000 (2018/19: £142,000).

Financial Performance 2019/20

Employee costs for 2019/20 were 58% under budget due to the planned reduction in the number of staff, through the conclusion of secondments which were not extended or replaced. This was a direct response to the introduction of the Planning (Scotland) Act 2019 which reduced the statutory functions carried out by the Strategic Development Planning Authority.

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 to take up a permanent post with Aberdeen City Council. The seconded member of staff returned to her substantive post, with Aberdeenshire Council, at the end of March 2020.

The approved budget for 2019/20 was based on three full time members of staff. Although three had been in post during 2018/19, a Team Leader, who had been seconded from Aberdeen City Council, returned to her substantive post with effect from 31 March 2019.

Total operating expenses were £122,000 which is £86,000 under budget. Costs other than staffing mainly related to the Proposed Strategic Development Plan Examination, carried out by the Scottish Government.

During the Examination, a period of representation in public on the Proposed Strategic Development Plan was undertaken from 8 October to 17 December 2018. All representations received on the Proposed Plan were considered and officers prepared a summary of unresolved issues before submitting the Plan to Scottish Ministers for Examination in Public.

A Reporter was allocated by Scottish Ministers on the 28 May 2019, and on 22 June 2019 a second Reporter was allocated for the Examination of the Proposed Plan, to aid the speedy delivery of the report. The Examination commenced on 25 June 2019.

The Report of Examination was published in January 2020 and on 12 August 2020 Scottish Ministers approved the Strategic Development Plan 2020.

MANAGEMENT COMMENTARY (continued)

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)	-	-	-	

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.

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.

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 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) 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.

MANAGEMENT COMMENTARY (continued)

Principal Risks and Uncertainties (continued)

- 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.

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

Since December 2017, the Chief Officer Strategic Place Planning (Aberdeen City Council) and the 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.

The removal of the requirement to produce Strategic Development Plans, and their replacement with Regional Spatial Strategies, was confirmed in July 2019 when the Planning (Scotland) Act 2019 received Royal Assent. Transitional arrangements on the implementation of the new legislation including greater clarity on the production of Regional Spatial Strategies were expected to be published by the Scottish Government. However, this has not yet happened, and there is currently no indication of when it will.

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 was no requirement to produce a formal budget for 2020/21. Any costs arising from the approval of the Proposed Strategic Development Plan 2018, and its subsequent publication, have been 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.

In September 2020, having considered the impact of the Planning (Scotland) Act 2019, the board agreed to wind up the authority on the basis that the functions set out in its Minute of Agreement were no longer relevant. When the requirements for Regional Spatial Strategies become clearer, Aberdeen City Council and Aberdeenshire Council will implement appropriate governance arrangements, and this may include a new collaborative approach. The 2019/20 financial statements are therefore the final accounts to be prepared in respect of the Strategic Development Planning Authority.

MANAGEMENT COMMENTARY (continued)

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

Following the implementation of the Planning (Scotland) Act 2019, the Authority is no longer required to prepare a Strategic Development Plan. Although post Strategic Development Plan work will continue to be supported by officers from the partner bodies, costs are expected to be minimal and will be absorbed by the partner authorities. These Annual Accounts will therefore be the last set produced for the Strategic Development Planning Authority.

The Authority has not experienced a financial shortfall but is being wound up in response to changes in legislation. It is appropriate to adopt a going concern basis for the production of the 2019/20 Annual Accounts.

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, two 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.

MANAGEMENT COMMENTARY (continued)

Events since the End of the Financial Year

In September 2020, having considered the impact of the Planning (Scotland) Act 2019, the Board agreed to continue to meet as required and maintain its role in relation to regional strategic planning matters. It also agreed that no future budget would be set on the basis that any future costs would be minimal and shared between the partner authorities.

Future Developments

Close links are maintained with appropriate government departments and the Strategic Development Plan has recently been refreshed.

In terms of the legislative requirement to produce a Regional Spatial Strategy, partner councils recognise that a similar operational format to the Authority albeit for a different purpose, may be required. When there is greater clarity on the requirements, partner councils will approve and implement new governance arrangements to support the development of a strategy.

Councillor John Cox,
Chair,
Strategic Development
Planning Authority

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

Alan Wood,
MA (Hons),
CPFA
Treasurer

23 September 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, pension benefits or reimbursement of expenses.

The positions of Chair and Vice Chair are rotated between the partner authorities every two and a half years. Accordingly, from 1 January 2020 Councillor John Cox (Aberdeenshire Council) was appointed Chair of the Authority while Councillor Marie Boulton (Aberdeen City Council) became Vice-Chair. Both councillors have received remuneration from their respective councils in their capacities as senior councillors with no additional allowances paid by the Authority. The remuneration of senior councillors is disclosed in the Remuneration Reports included within Aberdeenshire Council's and Aberdeen City Council's Annual Accounts.

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 responsibility for 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 provided below is subject to independent audit.

Remuneration

For 2018/19 and 2019/20, the authority did not directly employ any staff in its own right and so there were no payments to senior staff for salaries, bonuses, pension rights, compensation for loss of employment, taxable benefits or non-cash benefits.

Exit Packages

There were no exit packages during the financial year. (2018/19 – nil)

Remuneration of Employees receiving more than £50,000

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

Councillor John Cox,
Chair,
Strategic Development Planning
Authority.

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

23 September 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;
- 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; and
- 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.

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.

23 September 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.

I confirm that these Annual Accounts were approved for signature by the Authority at its meeting on 23 September 2020.

Councillor John Cox,
Chair,
Strategic Development Planning Authority.

23 September 2020

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS (continued)

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.

23 September 2020

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

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Aberdeen City and Shire Strategic Development Planning Authority for the year ended 31 March 2020 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet and Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the 2019/20 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2019/20 Code of the state of affairs of the Authority as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is four years. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Authority. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN CITY AND SHIRE STRATEGIC DEVELOPMENT PLANNING AUTHORITY AND THE ACCOUNTS COMMISSION (continued)

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Treasurer and Authority for the financial statements

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Authority is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN CITY AND SHIRE STRATEGIC DEVELOPMENT PLANNING AUTHORITY AND THE ACCOUNTS COMMISSION (continued)

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN CITY AND SHIRE STRATEGIC DEVELOPMENT PLANNING AUTHORITY AND THE ACCOUNTS COMMISSION (continued)

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Anne MacDonald CA
Senior Audit Manager
Audit Scotland
The Annexe
Woodhill House
Westburn Road
Aberdeen
AB16 5GB

23 September 2020

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 and any statutory limitations on their use. Unusable reserves would normally include reserves that hold unrealised gains and losses and reserves that hold timing differences which would be shown in the line "Adjustments between accounting basis and funding basis under regulations".

Expenditure by the Strategic Development Planning Authority has been matched by requisitions from partner councils. The Authority does not have any unusable reserves and there are no statutory or presentation adjustments between the Authority's accounting basis and funding basis. The outturn position on the Comprehensive Income and Expenditure Account is as reported in budget monitoring reports to the Authority. Consequently, there are no movements on the Movement in Reserves Statement and there are no balances held at 31 March 2019 and 31 March 2020. In addition, an Expenditure and Funding Analysis is not therefore required within these Annual Accounts.

	General Fund £000	Total Usable Reserves £000	Unusable Reserves £000	Total Reserves £000
Balance at 31 March 2019	-	-	-	-
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	£000		£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)	(145)	Requisitions and Non-Specific Grant Income	-	(122)	(122)	10	(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		-
40	Short Term Debtors	7	61
40	Current Assets		61
(37)	Short Term Borrowing		(58)
(3)	Short Term Creditors	8	(3)
(40)	Current Liabilities		(61)
-	Net Assets		-
-	Usable Reserves		-
-	Unusable Reserves		-
-	Total Reserves		-

The unaudited annual accounts were authorised for issue on 26 June 2020 and the audited annual accounts were authorised for issue on 23 September 2020.

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

23 September 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 should show how the Strategic Development Planning Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The Strategic Development Planning Authority had no investing or financing activities in either the current or prior year and did not receive any interest.

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.

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>	11
<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><u>(37)</u></u>	Cash and cash equivalents at the end of the reporting period	<u><u>(58)</u></u>	

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 debtors or 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 as 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, or borrowed from, the Council's Loans Fund. This balance is repayable on demand and therefore treated as a cash equivalent, or short-term borrowing, and is included in the Balance Sheet at amortised cost, which equates to the actual cash value as 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.

Reserves

The nature of Strategic Development Planning Authority's 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 as to 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 IAS 40 Investment Property: Transfers of Investment Property
- IFRS 12 Disclosure of Interests in Other Entities: Clarification of the Scope of the Standard
- IAS 28 Investments in Associates and Joint Ventures: Measuring an Associate of Joint Venture at Fair Value
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation.

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, and will be wound up at the September Board meeting. These changes have resulted from changes in the legislative and regulatory framework, and not due to any financial shortfall. The Treasurer has determined that, on this basis, the Annual Accounts for 2019/20 should 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 2020. 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 10 – 13 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 this being the final set prepared for the Strategic Development Planning Authority.

Note 7 Short Term Debtors

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

Note 8 Short Term Creditors

	2018/19 £000	2019/20 £000
Short Term Borrowing – Balance due to Aberdeenshire Council Loans Fund	37	58
Other Local Authorities	1	-
Other Entities and Individuals	2	3
	<hr/> 40	<hr/> 61

Note 9 External Audit Costs

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

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

NOTES TO THE ACCOUNTS (continued)

Note 10 Requisition Income

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

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

Note 11 Cash Flow – operating activities

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

	2018/19 £000	2019/20 £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/> (74)	<hr/> (21)

Note 12 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.

NOTES TO THE ACCOUNTS (continued)

Note 12 Related Parties (continued)

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. Due to this they 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 at 31 March	
	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000	2019 £000	2020 £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 page 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.

Note 13 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 as 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 due to changes in such measures as interest rates and stock market movements.

NOTES TO THE ACCOUNTS (continued)

Note 12 Related Parties (continued)

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 14 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 (19.3% in 2018/19). 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.