

**ABERDEEN CITY & SHIRE  
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

**Date: 10 September 2010**

**Title: SDPA Budget Monitoring and Proposals 2011/12 to 2013/14**

**1 Purpose of Report**

1.1 The purpose of this report is for the Strategic Development Planning Authority (SDPA) to note the budget monitoring for the period to July 2010 and to agree a proposal to delay consideration of a budget proposal for 2011/12 until later in the year.

**2 Background**

2.1 The budget for the SDPA was initially considered as part of the Aberdeenshire and Aberdeen City Council overall budget proposal with a contribution of 50% of the costs to be made by each partner Council. There was an undertaking to match funding and reduce Council partner contributions by 5% each year.

2.2 The challenges facing the public sector over the next few years in terms of funding constraints has been the focus of considerable media attention over recent months. The likely funding pressures faced by both councils will be considerable, although the exact scale of the challenge has still to be revealed.

2.3 Over recent months the SDP Team has been working with the two councils, Nestrans and Aberdeen City and Shire Economic Future (ACSEF) to explore ways in which services could be delivered at a lower cost through closer working arrangements. A number of avenues are currently being explored and these are identified below.

**3 Budget Monitoring**

3.1 The budget monitoring to the end of July 2010 is attached as Appendix 1 to this report.

3.2 The Appendix shows a forecast outturn below the budgeted amount and the costs incurred to date have not indicated any adverse pressures in the period to July 2010.

3.3 Two members of staff from the SDP Team have left over recent months and their posts have yet to be advertised. In addition, one member of the team has just commenced a one year secondment with Aberdeenshire Council. This will result in a saving against budget in the current financial year (2010/11) and a degree of flexibility in terms of implementing a strategy for cost savings in 2011/12 and beyond. The forecast outturn in Appendix 1 is currently based on an assumption that some budget will be required for staffing, but not filling all posts and further work is required on revising the budget and forecast.

## **4 Budget for 2011/12**

- 4.1 The planning system has a key role, recognised by the Scottish Government, in delivering future economic success and delivering quality development. However, it cannot be immune from the wider financial pressures facing public services.
- 4.2 Although there is the option of presenting a three-year budget proposal to the two councils, it is felt appropriate this year, given budget uncertainties and the need to better define the opportunities for closer working with the two Councils, Nestrans and ACSEF, to defer the submission of a budget proposal for 2011/12 until later in the year. The delay will not impact on Council partner budget timetables.
- 4.3 If this is acceptable to the SDPA, an approach will be taken to the budget proposals which seeks to increase integration with the two councils, Nestrans and ACSEF to reduce overall costs. This seeks, as far as possible, to follow the Scottish Government guidance set out in Circular 2/2008 and 'Delivering Planning Reform', as well as the recommendations of the Scottish Parliament's Transport, Infrastructure and Climate Change Committee regarding closer integration of SDPAs and Regional Transport Partnerships.
- 4.4 In order to address the financial challenges over the next few years, a strategy is proposed whereby savings in the SDPA budget are made in 2010/11 and 2011/14. Use will be made of accumulated reserves (largely Scottish Government start-up grant funding) to pay for expenditure associated with the preparation of the first Strategic Development Plan.

### **Property and Related Costs**

- 4.5 The SDP Team has been based at 27 – 29 King Street, Aberdeen since it was established in early 2008. The building is owned by Aberdeen City Council, with Nestrans and ACSEF both located in the same building but in different areas.
- 4.6 Options are currently being explored with Nestrans and ACSEF over potential alternative and shared accommodation. Both Aberdeen City Council and Aberdeenshire Council are assisting with this exploration. The objective of these discussions is to maintain and enhance the linkages between the three teams but delivering this at a lower overall cost. While Scottish Government Circular 2/2008 recommends neutral locations for the SDP Team, it is believed that an alternative location for the three teams could be delivered without compromising the perceived neutrality of the SDPA.
- 4.7 Progress on these discussions will be reported to the next meeting of the SDPA.

### **Administration**

- 4.8 Since July 2010, Nestrans has been providing administrative support to the SDP Team. This was implemented after the part-time temporary administrative assistant supporting the SDP Team left in June 2010. While this arrangement is in its infancy, it could be improved further if staff were located closer together.

### **Professional Staff Resource**

- 4.9 The current SDPA staff structure comprises an SDP Manager, two Senior Planners and two Planners. One Senior Planner post has been vacant since June and one Planner post has been vacant since early August 2010. More recently, an additional member of the team commenced a secondment with Aberdeenshire Council in early September 2010. Savings through vacancy management have been achieved while a permanent staffing solution is agreed.
- 4.10 In light of the current budget pressures and the offer of assistance from both councils, as well as Nestrans in taking the transport and transport appraisal elements of plan preparation forward, it is proposed not to fill the vacant posts meantime. This should not impact on the capacity of the SDPA to deliver outcomes. In the short-term, prior to final decisions being made on recruitment to fill the vacant posts, resources will be used from both councils to progress current workstreams.
- 4.11 The combined effect of these measures will lead to a significant saving this year as demonstrated on the budget forecast in Appendix 1.
- 4.12 Further discussions will be held with the two councils to clarify the funding implications as they consider their budgets for 2011/12 and future years later in the autumn.

### **5 Financial Implications**

- 5.1 There are no further implications at this time other than those already detailed above. The contributions from partner Councils will be less than budgeted.

### **6 Staffing Implications**

- 6.1 All staffing implications have already been described above.

### **7 Recommendations**

- 7.1 It is recommended that the SDPA:
- a) notes the budget monitoring position to July 2010; and
  - b) agrees to delay the presentation of a budget proposal for 2011/12 for consideration by the two Council partners until later in the year.

Derek Yule  
Treasurer

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## Appendix 1: Budget Monitoring 2010/11

	ACTUAL 2009/10 £'000	REVISED BUDGET 2010/11 £'000	ACTUAL TO 31-Jul-2010 £'000	%	REVISED FORECAST 2010/11 £'000	NOTES
<b>STRATEGIC DEVELOPMENT</b>						
<b>Staff Costs</b>						
Salaries & Wages	180	186	55	29.6%	128	
Superannuation	34	36	10	27.8%	24	
National Insurance	13	14	4	28.6%	10	
Other Staff Costs	0	0	0	0.0%	2	
	<b>228</b>	<b>236</b>	<b>69</b>	<b>29.2%</b>	<b>164</b>	
<b>Premises Costs</b>						
Other Property Costs	14	13	5	38.5%	13	
	<b>14</b>	<b>13</b>	<b>5</b>	<b>38.5%</b>	<b>13</b>	
<b>Administration Costs</b>						
Printing, Stationery & Postages	10	10	0	0.0%	10	
Telephone Costs	0	1	0	0.0%	1	
Course Expenses	1	3	0	0.0%	3	
Advertising & Promotions	3	7	1	14.3%	7	
Other Administration Costs	0	2	0	0.0%	2	
	<b>13</b>	<b>23</b>	<b>1</b>	<b>4.3%</b>	<b>23</b>	
<b>Transport Costs</b>						
Travel & Subsistence	3	4	1	25.0%	4	
	<b>3</b>	<b>4</b>	<b>1</b>	<b>25.0%</b>	<b>4</b>	
<b>Supplies &amp; Services</b>						
Purchase of Equipment	0	1	0	0.0%	1	
Purchase of Materials	0	1	0	0.0%	1	
Other Supplies & Services	4	5	0	0.0%	5	
Consultant Fees	10	15	0	0.0%	15	
Work Done by Outside Contractor	1	2	0	0.0%	2	
	<b>14</b>	<b>24</b>	<b>0</b>	<b>0.0%</b>	<b>24</b>	
<b>Gross Expenditure</b>	<b>272</b>	<b>300</b>	<b>76</b>	<b>25.3%</b>	<b>228</b>	
<b>Income</b>						
Aberdeen City Council	(148)	(150)	-42	28.0%	-118	
Aberdeenshire Council	(124)	(150)	-34	22.7%	-110	
<b>Total Income</b>	<b>(272)</b>	<b>(300)</b>	<b>-76</b>	<b>25.3%</b>	<b>-228</b>	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	
<b>Budget Agreed February 2010</b>						
<b>Projected Budget Pressure</b>						