

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

**Date: 3 December 2010**

**Title: SDPA Budget Monitoring and Update on Future Budgets**

**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 October 2010 and to propose a delay in the consideration of a budget proposal for 2011/12 until 25 March 2011 when the council budget positions will be clearer.

**2 Background**

2.1 The budget for the SDPA was initially considered as part of the Aberdeenshire and Aberdeen City Councils' overall budget proposals with a contribution of 50% of the costs to be made by each partner Council.

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 SDPA has been working with 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 continue to be explored (an example being staff accommodation) but firm proposals are not yet available for consideration.

**3 Budget Monitoring**

3.1 The budget monitoring report to the end of October 2010 is attached as appendix 1 to this report. This shows a forecast spend of £222,000, 26% less than budget

3.2 Members will recall from the monitoring paper to the September meeting that due to the reduction in staff numbers, costs would be less than budget. The reduction in capacity of the Authority has resulted in more work being taken on by the two councils and some being placed in the hands of external consultants/contractors. Members will note that the cost of external consultants is forecast to increase by £25,000 to £40,000 over the remainder of the year.

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

- 4.1 Members are already aware that the setting of a budget for next year has been delayed. It had been hoped to bring a completed proposal to this meeting but at the time of writing the Scottish Government grant settlement is not yet available and with uncertainty remaining on the potential efficiencies being explored with Nestrans and ACSEF it is felt inappropriate to present a budget proposal predicated on uncertain positions at this time. If further information is available a verbal update will be made to the Board. In either event a more complete budget proposal will be presented to the next meeting of the Authority.
- 4.2 Further discussions will be held with partner councils to clarify the funding implications as they consider their budgets for 2011/12 and future years over the winter period.

#### **5 Financial Implications**

- 5.1 There are no further implications at this time other than those already detailed in the report. 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 and forecast outturn at October 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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