

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

**Date: 27 March 2009**

**Title : SDPA Update**

**1 Purpose of Report**

1.1 The purpose of this report is to inform the Strategic Development Planning Authority (SDPA) of a range of matters relating to the operation of the SDPA including the recent decision made by Audit Scotland regarding audit arrangements for the SDPA and its implications.

**2 Background**

2.1 The SDPA was formed on 25 June 2008 under the Strategic Development Planning Authority Designation (No 2)(Scotland) Order 2008, with statutory guidance provided by the Scottish Government in Circular 2/2008. The first meeting of the SDPA took place on 18 September 2008 and this is now its fifth meeting.

2.2 A minute of agreement between Aberdeen City and Aberdeenshire Councils and a set of standing orders currently govern the operation of the SDPA.

**3 Audit arrangements**

3.1 As part of the minute of agreement between the two Councils, Aberdeenshire Council act as the treasurer for the SDPA. At the time the minute of agreement was prepared, it was anticipated that the finances of the SDPA would be audited as part of the audit of Aberdeenshire Council.

3.2 On 30 September 2008, Audit Scotland sent an email to the SDPA requesting information to enable them to ascertain whether it would fall within the remit of Aberdeenshire Council's audit arrangements or whether it should be audited as a separate entity in their own right.

3.3 In a letter dated 21 January 2009, Audit Scotland confirmed that they had decided that the four SDPAs in Scotland should be audited as separate bodies rather than functioning within (and being audited as part) of the Council acting as treasurer. This mirrors the arrangements adopted for the Regional Transport Partnership (Nestrans).

3.3 This has a range of financial and procedural implications which are set out below:

- a) There will be an annual charge for the carrying out of the audit by Audit Scotland. The indication is that this will be approximately £400 per annum.

However, this was not budgeted for in the budget setting process for 2009/10;

- b) Amendments will be required to the minute of agreement and standing orders which govern the functioning of the SDPA;
  - c) A signed unaudited financial statement must be submitted to Audit Scotland by 30 June;
  - d) The SDPA will need to agree a detailed budget before the start of each financial year and monitor this at regular points throughout the year;
  - e) The SDPA will need to agree a set of financial regulations and set up clear corporate governance arrangements;
  - f) The SDPA will need to formally appoint a treasurer;
  - g) The cost to Aberdeenshire Council of providing financial services to the SDPA will be higher than anticipated;
  - h) All future reports to the SDPA will need to include a 'financial implications' section; and
  - i) The SDPA may need to register as a separate body for VAT purposes. However, if such registration is refused there will be an increase in costs as it may not be possible to reclaim the VAT on expenditure.
- 3.4 It is proposed that the Director of Finance for Aberdeenshire Council (Charles Armstrong) be formally appointed as treasurer for the SDPA, be consulted on draft reports and be invited to future meetings.
- 3.5 A report has been included later on this agenda which proposes a budget for 2009/10. This meets the immediate needs of the SDPA to be in a position to start the next financial year with an agreed budget.
- 3.6 It is proposed that a further report be considered at the next meeting of the SDPA addressing all other matters above.

#### **4 SDP Manager Liaison Meetings**

- 4.1 Quarterly meetings are taking place between the four SDP Managers, with the first of these taking place in Aberdeen on 10 September 2008. To date, interim managers have been in place in both Edinburgh and Dundee, although all four SDP Managers have now been appointed and the meeting on 23 March 2008 will be the first at which they have all been present.
- 4.2 In addition to the SDP Managers, representatives from the Scottish Government also attend for part of the meetings.
- 4.3 These meetings have proved invaluable to both the SDP Managers as well as the Scottish Government in sharing issues, good practice and being able to liaise with other bodies collectively as appropriate.

## 5 Recommendations

5.1 It is recommended that the SDPA:

- a) notes the decision made by Audit Scotland regarding the auditing of the SDPA accounts and the likely implications of this decision;
- b) formally appoints the Director of Finance of Aberdeenshire Council as treasurer and that he be consulted upon draft reports to the SDPA and be invited to future meetings;
- c) considers a report at its next meeting which addresses the issues highlighted in para 3.3 above which are not subject to separate recommendations above; and
- d) the SDPA otherwise note the contents of this report.

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