

ABERDEEN CITY & SHIRE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY

Title : Proposed Budget 2009/10

1 Purpose

- 1.1 The purpose of this report is to outline a proposed budget for the Strategic Development Planning Authority (SDPA) for the year 2009/10 as a basis for discussions with Aberdeen City and Aberdeenshire Councils, to inform their budget setting processes and the Strategic Development Plan Team's work planning.

2 Background

- 2.1 The 'Minute of Agreement' between the two councils requires that a draft budget be prepared by 30 September each year.
- 2.2 This is the first formal budget prepared for the SDPA in accordance with this requirement.
- 2.3 The Strategic Development Plan Team was formed in April 2008, with the SDPA formally coming into being on 25 June 2008.
- 2.4 The SDPA has a clear statutory role under the Planning etc. (Scotland) Act 2006 to prepare and keep up-to-date a strategic development plan (SDP) for the SDP area. Its other functions are in support of this central purpose. SDPAs have a pivotal role in the modernisation of development planning in Scotland's four largest city regions.
- 2.5 The team is expected to be fully staffed by October 2008 following interviews for the final two members of the team being held in late August / early September.

3 Summary of Work Programme for 2009/10

- 3.1 A draft structure plan was published for consultation on 27 June 2008 with a closing date for responses of 12 September 2008.
- 3.2 It is anticipated that the submission of a finalised structure plan to Scottish Ministers will take place in the current financial year, with all the associated expenses arising from the publication of the plan and associated documents as well as press advertisement and informing those who have been involved in the plan process to date.
- 3.3 In addition to the general background work of the team, the main elements of work in 2009/10 will include:
- taking the structure plan to approval (including a possible 'examination');
 - publishing the SDPA's first statutory development plan scheme;
 - preparing an action programme to implement the structure plan; and
 - preparing the plan's first baseline / monitoring report.

- 3.4 Preliminary work will also commence on the first strategic development plan, although substantive work on this is unlikely to start until the following year.
- 3.5 It can be expected that the approved structure plan will need to be published and printed in 2009/10, although it would be reasonable to make a charge for this in order to cover costs. This is the one point in the development plan cycle where income is likely to be generated by the team, although with online availability of the documents this is likely to be at a level lower than that seen in the past.

4 Proposal

- 4.1 Given that the team has only been in existence for five months, there is a higher than normal degree of uncertainty over the budget proposal because there are limited reliable existing figures upon which it can be based. However, it is likely that further refinement of the detail (within the total budget) will need to take place before the start of the financial year.
- 4.2 The proposal has taken into account the financial pressures on both councils and the need to keep a strict control on costs. In addition, it takes account of the start-up funding received from the Scottish Government in the current financial year and the stage reached in the development plan cycle (as outlined above).
- 4.3 The money made available by the Scottish Government to cover start-up costs in 2008/09 (£120k) was a one-off payment and will not be repeated in future financial years. As a result, all costs incurred from now on need to be met by the two councils.
- 4.4 Given the small size of the overall budget and the fact that over 80% of the SDPA's costs are fixed, it is difficult to identify areas where efficiencies can be generated. The stage reached in the development plan cycle is the only thing which has enabled costs to be trimmed for next year.
- 4.5 Account has been taken in the figures of the 2.5% pay offer made by local government, although it is recognised that unions have already rejected this offer. Any increase in this would need to be reflected in the total budget allocation.
- 4.6 The proposal therefore is for gross expenditure of £329k, a 2.1% reduction on the 2008/09 figure (stripping out the effect of the one-off start-up costs met by the Scottish Government). After taking account of the expected income from the sale of approved structure plans, this takes the net expenditure of £326k which would be split on a 50/50 basis between Aberdeen City and Aberdeenshire Councils (each contributing £163k). This represents a 3% reduction on the 2008/09 figures.
- 4.7 A significant element of uncertainty in 2009/10 is the possibility of an 'examination' into the finalised structure plan (and the nature and duration of any such examination if it is required). Holding an examination is at the discretion of the Scottish Ministers and the form any examination takes would be at the discretion of the Reporter. This makes budgetary provision for this very difficult. A sum of £10k has been identified in the proposed budget for an examination on the basis that it is prudent to assume that one is likely to be required by Scottish Ministers. However, the costs associated with such an examination could vary widely and it is therefore suggested that both councils

recognise this uncertainty and the possible need to use contingencies to cover these costs.

- 4.8 This proposal is based on the stage reached in the development plan cycle and the legacy of Scottish Government start-up costs. It therefore cannot be assumed that costs will be able to be held at this level in 2010/11 and particularly 2011/12 as work commences on a Strategic Development Plan.
- 4.9 Both councils should be made aware that the SDPA may not be able to function at this level of funding in future years if it is to meet its statutory obligations and plan in an appropriate way for the future of the area. Budget growth is likely to be required in each of the two following years during the preparation of the SDPA's first strategic development plan.
- 4.10 It is therefore proposed that a three year financial plan be prepared during the coming year (in line with the provisions of the Minute of Agreement between the two councils) in parallel with a project plan for the delivery of the SDPA's first strategic development plan.

5 Recommendations

- 5.1 It is recommended that the SDPA agree the draft budget for submission to both councils to inform their respective budget setting processes.
- 5.2 It is further recommended that, in line with the Minute of Agreement, a 3-year financial plan be prepared over the coming year and that a draft be presented to the SDPA at a future meeting.

David Jennings
Aberdeen City & Shire Strategic Development Plan Manager

Dr Margaret Bochel
Head of Planning & Infrastructure
Aberdeen City Council



Dr Christine Gore
Director of Planning & Environmental Services
Aberdeenshire Council



Report prepared by: David Jennings, Strategic Development Plan Manager