

A MEETING of the SESPLAN JOINT COMMITTEE will be held in the BUSINESS CENTRE, CITY CHAMBERS, EDINBURGH on MONDAY, 27 NOVEMBER 2017 at 2.00 pm

<b>BUSINESS</b>		
1.	<b>Apologies for Absence and Substitutions</b>	
2.	<b>Order of Business and Any Urgent Matters</b>	
3.	<b>Declarations of Interest</b>	
4.	<b>Matters Arising</b>	
5.	<b>Minutes of the Previous Meeting held on 26 June 2017</b> (Pages 3 - 8)	Decision
6.	<b>Risk Management</b> (Pages 9 - 12)	Information
7.	<b>Joint Committee Work Plan 2018</b> (Pages 13 - 18)	Information
8.	<b>Finance</b> (Pages 19 - 26)	Decision
9.	<b>Audited Accounts and Report of Audit</b> (Pages 27 - 76)	Decision
10.	<b>Appointment of Convener and Vice Convener 2018-2019</b> (Pages 77 - 80)	Decision
11.	<b>A.O.C.B.</b>	

**NOTE**

Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.

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**Membership of Committee**

City of Edinburgh Council – Cllr M Child and Cllr L Ritchie

East Lothian Council – Cllr J Goodfellow and Cllr N Hampshire

Fife Council – Cllr J Beare (Vice Convener) and Cllr A Craik

Midlothian Council – Cllr R Imrie and Cllr P Winchester

Scottish Borders Council – Cllr S Bell (Convener) and Cllr T Miers

West Lothian Council – Cllr D McGuire and Cllr C Muldoon

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MINUTE of MEETING of the SESplan JOINT  
COMMITTEE held in the Edinburgh City  
Chambers on 26 June 2017 at 2.00 p.m.

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Present:- Councillor Stuart Bell (Convener), Scottish Borders Council  
Councillor John Beare, Fife Council  
Councillor Maureen Child, City of Edinburgh Council  
Councillor Altany Craik, Fife Council  
Councillor Jim Fullarton, Scottish Borders Council  
Councillor Jim Goodfellow, East Lothian Council  
Councillor Norman Hampshire, East Lothian Council  
Councillor Russell Imrie, Midlothian Council  
Councillor Dom McGuire, West Lothian Council  
Councillor Lewis Ritchie, City of Edinburgh Council

Apologies:- Councillor Tom Miers, Scottish Borders Council  
Councillor Cathy Muldoon, West Lothian Council

In Attendance:- Mrs Alice Miles, Acting SDP Manager, SESplan  
Ms Pam Ewen, Fife Council  
Mr Brian Frater, Scottish Borders Council  
Mr David Leslie, City of Edinburgh Council  
Mr Craig McCorrison, West Lothian Council  
Mr Iain McFarlane, East Lothian Council  
Ms Lynne McMenemy, SESplan  
Ms Judith Turnbull, Scottish Borders Council (Clerk)

1. WELCOME AND INTRODUCTIONS

Mr Leslie welcomed those present to the meeting. Following introductions he advised that all new representatives to the SESplan Joint Meeting had received briefings from officers in advance of the Joint Committee meeting. He stated that over the past year there had been an effective balance of formal meetings and workshops which had enabled important decisions to be taken to progress Plan production.

2. ORDER OF BUSINESS AND URGENT MATTERS

There were no changes to the order of business or urgent matters to be considered.

3. APPOINTMENT OF CONVENER AND VICE CONVENER

Members were informed that the Joint Committee was convened and chaired by one authority on a two year rotation, with Scottish Borders Council holding the chair until 1 January 2018. Councillor Fullarton proposed that Councillor Bell remain Convener of the SESplan Joint Committee and this was unanimously agreed. It was also unanimously agreed that Councillor Beare, Fife Council, be appointed Vice-Convener.

DECISION

AGREED:-

- (a) That Councillor Bell be appointed Convener of the SESplan Joint Committee; and
- (b) That Councillor Beare be appointed as Vice-Convener of the SESplan Joint Committee.

4. MINUTE OF PREVIOUS MEETING

The Minute of the Meeting of 13 March 2017 had been circulated.

DECISION

APPROVED the Minute as a correct record.

5. PROPOSED STRATEGIC DEVELOPMENT PLAN 2 - SUBMISSION FOR EXAMINATION

- 5.1 There had been circulated copies of a report by the Acting SDP Manager, seeking the Joint Committee's approval of the Strategic Development Plan Authority's (SDPA) response to the representations received on the second Proposed Strategic Development Plan (the Proposed Plan). The report sought an agreement that no modifications should be made to the

Proposed Plan in response to these representations; and that the Proposed Plan be submitted to Scottish Ministers for examination. Mrs Miles advised that the first Strategic Development Plan (the current SDP) had been approved by Scottish Ministers on 27 June 2013. The second proposed Strategic Development Plan required submission for Examination by 27 June 2017. It was noted, following the local elections, that there were a number of new Members to the Joint Committee who had not been involved in the decision making process. However, all new Members had been fully briefed by their respective councils and had received copies of the Proposed Plan with the Agenda.

- 5.2 With reference to paragraph 4 of the Minute of 13 March, the Convener advised that the Joint Committee had approved the summary of unresolved issues 1 – 13 and 15 – 17. The Joint Committee had also requested that officers review Issue 14 (Strategic Transport Improvements) and report back. There followed a discussion on how growth would impact transport movements across local authority boundaries. It was agreed that the Convener, on behalf of SESplan, make representations to Scottish Government requesting that they prioritise consideration of the effect the growth in housing and employment would have on infrastructure and the requirement for transport interventions which would resolve transport impacts.

#### DECISION

#### AGREED:-

- (a) To approve the Summary of Unresolved Issues 1 – 17 and note the representations received set out within Schedule 4s referred to in Section 2 and Appendix 1 to the Report;
- (b) That no modifications were made to the Proposed Plan published in October 2016;
- (c) To delegate authority to the Acting SDP Manager and Chair of the Project Board to undertake editorial changes and finalise the Schedule 4s and related material for submission to Scottish Ministers for Examination as set out in Section 3 of the report;
- (d) To note the Easy Read Guide to the Cross Boundary Study final report attached as Appendix 2 to the report;
- (e) To approve the Report of Conformity with the Participation Statement attached as Appendix 3 to the Report;

- (f) To approve the unmodified Proposed Plan for submission to Scottish Ministers by no later than 27 June 2017; and
- (g) To delegate authority to the Convener to make representations to Scottish Government requesting that consideration be given to the effect growth would have on infrastructure and the requirement for transport interventions which would resolve transport impacts.

## 6. 2016 ANNUAL HOUSING UPDATE

There had been circulated copies of a report by SESplan presenting the finalised 2016 Annual Housing Update together with an Easy Read Guide for consideration and approval. Ms McMenemy highlighted that the five year delivery programme for the effective supply of housing was below target. However, there was enough effective housing land for at least 15 years in all council areas. The Joint Committee discussed that there was no definitive guidance by Scottish Government on the methodology to be used for calculating housing land. It was therefore agreed that other methods for calculating effective housing land were equally valid.

### DECISION

#### AGREED:-

- (a) To approve the summary and content of the finalised 2016 Annual Housing Update and Easy Read Guide, attached as Appendix 1 and 2 to the report; and
- (b) To note that in determining effective housing land other calculations might be acceptable and that these different methods would result in different figures to those detailed in table 6 of the report.

## 7. FINANCE

Unaudited Accounts 2016/2017 for SESplan Joint Committee's consideration. The Convener advised that there had been increased savings since the March meeting.

### DECISION

#### AGREED:-

- (a) To note the SESplan Unaudited Accounts 2016/2017 as set out in Appendix 1 to the report; and
- (b) To hereby give 14 days' notice that the Unaudited Accounts 2016/17 would be made available on the SESplan website from 14 July 2017 for a 30 day period.

8. PLANNING PERFORMANCE FRAMEWORK ANNUAL REPORT

There had been circulated a report by the Acting SDP Manager presenting the 2016/2017 SESplan Planning Performance Framework and Annual Report (PPF) to the Joint Committee for noting.

DECISION

AGREED to note the Planning Performance Framework and Annual Report attached as Appendix 1 to the report.

9. ANY OTHER BUSINESS

It was noted that SESplan's Unaudited Accounts required to be approved by 30 September 2017 which had implications for the timetable. There was also an issue with the availability of Members for future meetings. It was agreed to delegate to officers to liaise and rearrange future meeting dates for the SESplan Joint Committee.

DECISION

AGREED to request that the Acting SDP Manager liaise with officers to reschedule dates for future SESplan meetings.

***The meeting concluded at 2.45 pm.***

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**ITEM 6 – RISK MANAGEMENT**

Report by: Alice Miles, Acting SDP Manager

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**Purpose**

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This Report includes an update on risk management.

**Recommendations**

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It is recommended that the SESplan Joint Committee:

1. Notes the update on risk management as set out within this Report.

**Resource Implications**

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As set out below.

**Legal and Risk Implications**

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As set out below.

**Policy and Impact Assessment**

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No separate impact assessment is required.

**1. Background**

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- 1.1 The SESplan Joint Committee at its meeting on the 7 March 2011, approved SESplan’s approach to risk management requiring that an annual review and update of the Risk Register is considered and agreed by the SESplan Project Board and that a report on risk management based on the updated Risk Register is presented to the Joint Committee no later than December each year. This approach assists with project management and addresses a recommendation of the Annual Audit 2009 / 2010.

## 2. Risk Management

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- 2.1 A report on the SESplan approach to risk management was considered by SESplan Joint Committee at its meeting in November 2016. This report contains an update on risk management as at November 2017.
- 2.2 The risk register has been updated by closing risks that are no longer applicable or current. The probability and impact scores associated with individual risks have also been revised to reflect the current stage of the programme. Of those risks that remain active, the following have a residual amber risk score.
- 2.3 The project risks are summarised as follows:
- **The Examination and Supplementary Guidance** – The current project includes resources for supplementary guidance to be undertaken on a Cross Boundary Developer Contributions Framework and Cross Boundary Green Network Priority Areas. The Scottish Government in their representations to the Proposed Plan considered that supplementary guidance should also be prepared on Heat Mapping, Wind and Minerals. SESplan considers that there is limited value in preparing a Heat Map at the strategic level as there is a National Heat Map and detailed heat mapping will be undertaken at the local level. Similarly on wind as there is already detailed guidance at the local level. Subsequent to the Proposed Plan, the Minerals Technical Note which sets out the detailed landbank position for the SESplan area was updated and has been submitted to the Examination. There is a risk that the Reporter will consider that SESplan should prepare supplementary guidance in these areas and additional resources within the Core Team / from within the Member Authorities may be required. The Project Board will continue to monitor resources within the Core Team and are assigning resources from within the member authorities as appropriate.
  - **Supplementary Guidance Cross Boundary Transport Developer Contributions Framework** – There is a risk that the outputs of the Cross Boundary Study are not sufficient to construct a Cross Boundary Transport Contributions Framework that would meet the tests relevant to Planning Obligations.

There are also uncertainties around the most appropriate mechanism to secure contributions, particularly in light of the planning review recommendations regarding a Regional Infrastructure Levy and that the Study does not take account of national flows and is not robust and thorough. SESplan officers formed part of the Steering Group of the Study and Transport Scotland will be a member on the supplementary guidance working group to ensure continuous liaison.

- **Alignment** – There is a risk that SDP2 and its associated Action Programme and the Cross Boundary Transport Project (Study and Contributions Framework) are not aligned with the emerging City Region Deal. The SESplan Action Programme will be required to be reviewed shortly after SDP2 approval and the reviewed Programme will be aligned with City Deal.
- **The Examination, Timescales and Approval** – The second Strategic Development Plan (SDP2) was submitted for Examination within four years of the approval of SDP1 on the 26 June 2017 in accordance with statutory requirements. SDP2 is required to be approved by 27 June 2018 or SDP1 will be considered out of date. The DPEA works to a timescale of 6 – 9 months, with the Report of Examination currently scheduled for the 27 March 2018. The Reporter will send the Report of Examination to Scottish Ministers who then have 17 weeks within which to approve, reject or modify the Plan. On current timescales, SDP2 will be approved in late July, around a month later than the required timescales. The timescales for the Examination, other than responding to Further Information Requests and / or Hearings are not in the control of SESplan. Appropriate resources from within the Core Team / Member Authorities will be assembled at short notice to ensure a quick turnaround and so as not to delay the Examination process.

#### 2.4 The operational risks are summarised as follows:

- **Resources** – There is a risk of insufficient resources to respond to Further Information Requests and / or a Hearing or prepare further Supplementary Guidance if required by the Report of Examination. Further resources will also be required to prepare post approval documentation including finalising, publishing and circulating the final approved Plan, the post adoption SEA Statement and Habitats Regulations Appraisal and the Action Programme. The Project Board are monitoring resources within the Core Team and are assigning resources from within member authorities as required and appropriate.

- **The Planning Review** – The Planning Bill is anticipated to be published in winter 2017. There are uncertainties around the content of the Bill and how much guidance will be included on the form and content of Regional Working Partnerships. In the interim there is no further guidance from Scottish Government on transitional arrangements and what work programme SESplan should be taking forward post approval of SDP2 other than the post approval documents and supplementary guidance. Officers will continue to liaise with Scottish Government through direct discussions and via the SDPA Managers group.

### **3. Conclusion**

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- 3.1 The Risk Register will continue to be reviewed by the SESplan Core Team in conjunction with the SESplan Project Board.
- 3.2 Annual reports on risk management will be presented to the SESplan Joint Committee by no later than December of each year. This report will highlight and summarise the main risks and additions to the Register.

#### **Report Contact**

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Alice Miles, Acting SDP Manager

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## ITEM 7 – SESPLAN JOINT COMMITTEE WORK PLAN

Report by: Alice Miles, Acting SDP Manager

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### Purpose

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This report sets out the Work Plan of the SESplan Joint Committee to the end of 2018.

### Recommendations

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It is recommended that the SESplan Joint Committee:

1. Approves the SESplan Joint Committee Work Plan as set out in Appendix 1 to this report.

### Resource Implications

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As set out below.

### Legal and Risk Implications

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As set out below.

### Policy and Impact Assessment

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No separate impact assessment is required.

#### 1. SESplan Joint Committee Work Plan

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1.1 It is considered useful to prepare a Work Plan setting out the key items of business to be considered by the SESplan Joint Committee over the year. The SESplan Joint Committee Work Plan for 2017 was approved by SESplan Joint Committee at its meeting in November 2016.

1.2 The SESplan Constitution, Scheme of Delegation, Financial Rules and Standing Orders and other legislation requires items are considered by the SESplan Joint Committee as follows:

Timeline	Requirement
31 March	<ul style="list-style-type: none"> <li>➤ The SESplan Financial Rules set out that the Treasurer in conjunction with the SDP Manager is required to submit detailed <b>finance monitoring</b> reports to the SESplan Joint Committee twice a year, with one occasion being the end of each financial year.</li> <li>➤ Section 20B of the Planning etc. (Scotland) Act 2006 requires a <b>Development Plan Scheme</b> to be prepared at least annually.</li> </ul>
30 June	<ul style="list-style-type: none"> <li>➤ The Local Authority Accounts (Scotland) Regulations 2014 state that best practice is for the <b>Unaudited Accounts</b> to be considered at Committee prior to the 30 June or no later than the 31 August each year.</li> </ul>
31 July	<ul style="list-style-type: none"> <li>➤ Under the SESplan Constitution an <b>Annual Report</b> is required to be prepared on the work of the Joint Committee on or around the 31 August each year. Alongside the Annual Report and developed by the Heads of Planning Scotland and supported by Scottish Government the <b>Planning Performance Framework (PPF)</b> was introduced by planning authorities in 2012. The annual PPF Report is required to be submitted by the 31 July each year.</li> </ul>
30 September	<ul style="list-style-type: none"> <li>➤ The <b>Audited Accounts</b> require to be considered by the Joint Committee by the 30 September each year with the Local Authority Accounts (Scotland) Regulations 1985 requiring that they are laid before a meeting of the authority within two months of receipt of the documents.</li> </ul>
31 December	<ul style="list-style-type: none"> <li>➤ <b>Operating Budgets</b> for the next financial year should be proposed and approved by the SESplan Joint Committee and ratified by the member councils by the end of December each year.</li> <li>➤ The SESplan Financial Rules set out that the Treasurer in conjunction with the SDP Manager is required to submit detailed <b>finance monitoring</b> reports to the SESplan Joint Committee twice a year, with one occasion being the end of each financial year.</li> <li>➤ The SESplan Joint Committee at its meeting on the 7 March 2011, approved SESplan's approach to <b>risk management</b> requiring that an annual review and update of the risk register is considered and agreed by the SESplan Project Board and that a report on risk management based on the updated risk register is presented to the Joint Committee no later than December each year.</li> </ul>

- 1.3 The SESplan Constitution sets out that the Joint Committee shall meet not less than 2 times per year. As detailed in Appendix 1, over the period to the end of 2018 and to meet the business requirements of the Joint Committee, three formal public meetings of the SESplan Joint Committee have been scheduled.
- 1.4 The meeting in March 2018 will provide an update on the Examination including any Further Information Requests received / Hearings and include an update on the Supplementary Guidance on Cross Boundary Developer Contributions. It is also intended that the Joint Committee will also be asked to consider the Annual Housing Update.
- 1.5 The meeting scheduled for June, will provide an update on the approval of Strategic Development Plan 2 following the publication of the Report of Examination (currently scheduled for the 27 March 2018) and the Unaudited Accounts. The Committee will be asked to approve delegation to the Convener, SDP Manager and Treasurer to sign off the Audited Accounts and Report of Annual Audit by the 30 September 2017.
- 1.6 The November meeting has been scheduled to consider statutory business requirements.
- 1.7 A number of Joint Committee workshops will also be held over the year. The workshops will be private sessions for elected members and officers providing an opportunity to discuss and consider issues arising as and when required.

## **2. Conclusion**

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- 2.1 The SESplan Joint Committee Work Plan will continue to be reviewed by the Core Team in conjunction with the Convener of the Joint Committee and the SESplan Project Board. The Work Plan will be reviewed, updated and brought to the SESplan Joint Committee for approval annually.

## **Appendices**

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Appendix 1 SESplan Joint Committee Work Plan

## **Report Contact**

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Alice Miles, Acting SDP Manager, 01506 282880, [alice.miles@sesplan.gov.uk](mailto:alice.miles@sesplan.gov.uk)



Meeting of the SESplan Joint Committee	Items for Consideration	For
19 March 2018	<ol style="list-style-type: none"> <li>1. SDP2 – Update on Examination and Approval</li> <li>2. Finance - Monitoring Report</li> <li>3. Supplementary Guidance – Cross Boundary Developer Contributions</li> <li>4. Approval of Development Plan Scheme 10</li> <li>5. Annual Housing Update</li> </ol>	<p>Information</p> <p>Decision</p> <p>Decision</p> <p>Decision</p> <p>Information</p>
Page 17  25 June 2018	<ol style="list-style-type: none"> <li>1. SDP2 - Approval</li> <li>2. Finance – Unaudited Accounts and Monitoring Report, Delegation of Approval of Audited Accounts to Convener, SDP Manager and Treasurer</li> <li>3. Annual Report / Planning Performance Framework</li> <li>4. Supplementary Guidance – Cross Boundary Green Network</li> </ol>	<p>Information</p> <p>Decision</p> <p>Information</p> <p>Decision</p>
26 November 2018	<ol style="list-style-type: none"> <li>1. Risk Management</li> <li>2. Finance - Audited Accounts and Report of Annual Audit</li> <li>3. Finance – Monitoring Report and Operating Budget 2019 / 2020</li> <li>4. SESplan Joint Committee Work Plan 2019</li> </ol>	<p>Information</p> <p>Information</p> <p>Decision</p> <p>Information</p>

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## ITEM 8 – FINANCE

Report by: Alice Miles, Acting SDP Manager

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### Purpose

This Report presents an update on the SESplan Operating Budget for 2017 / 2018 and sets out the SESplan Operating Budget for 2018 / 2019 for Joint Committee approval.

### Recommendations

It is recommended that the SESplan Joint Committee:

1. Note the updated forecast expenditure against the approved Operating Budget for 2017 / 2018 set out within Appendix 1 to this Report;
2. Approve the updated Operating Budget for 2018 / 2019 set out within Appendix 1 to this Report;
3. Note that member contributions for financial year 2018 / 2019 have been reduced and are set at £10,000 (excluding VAT) per authority (as set out within Appendix 1 to this Report), payable to Fife Council by the 30 April 2018;
4. Note that member authorities are required to ratify the decisions above and to make their required contributions subsequently; and
5. Note that an Operating Budget for 2019 / 2020 will be brought to a meeting of the SESplan Joint Committee in late 2018.

### 1. Background

- 1.1 The SESplan Financial Rules set out that Operating Budgets for the next financial year should be proposed by the SDP Manager, approved by the SESplan Joint Committee and that decision ratified by the member authorities by the end of December.

1.2 In compliance with these rules, the SESplan Joint Committee at its meeting on the 24 November 2016 agreed to approve the Operating Budget for 2017 / 2018 in principle and that a review of SESplan expenditure and future budgets would be brought to the next meeting. The SESplan Operating Budget for 2017 / 2018 was approved at Joint Committee on the 13 March 2017.

## **2. SESplan Operating Budget 2017 / 2018**

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2.1 The latest position on the SESplan Operating Budget for 2017 / 2018 as at November 2017 is included as Appendix 1.

2.2 The largest spend by SESplan is on staffing. As set out in Appendix 1, the forecast for staffing at November 2017 was estimated at £102,000. The approved Operating Budget 2017 / 2018 includes a total staffing budget of £160,931. There is therefore a saving in staffing of just under £59,000. This primarily relates to the post of temporary planner being vacated in August rather than December 2017 and the part time SDP Manager position. There is also a current vacancy in the permanent planner position which has been filled by a graduate planner on a temporary contract from August 2017.

2.3 The Operating Budget for 2017 / 2018 also includes other fixed costs relating to training, rent and accommodation, travel, IT hardware, software and maintenance and audit / professional fees. The forecast sets out underspend in these areas in particular related to rent and accommodation and travel. The Core Team is currently made up of two members of staff, the rental agreement with West Lothian has therefore been updated to reflect the requirement for two rather than five desks. This has resulted in an underspend of around £3,195. Following the relocation of the Core Team to West Lothian, relocation travel expenses were payable for a three year period. Those members of staff eligible for the reimbursement of expenses have now left SESplan, therefore there is a forecast underspend in travel of £2,700.

2.4 Overall at November 2017, it was estimated that there would be a saving across all fixed costs of £63,780.

2.5 The approved 2017 / 2018 Operating Budget also includes an allowance of £105,050 for variable costs.

- 2.6 The largest spend in 2017 / 2018 is related to the Examination, where costs are met 50/50 with the DPEA. On the basis of costs related to other Examinations including CLYDEplan, the budget has been reduced to £20,000, making a saving of £10,000. This reduced figure also includes a contingency fund should it be required.
- 2.7 A Project Manager from Fife Council has now been appointed to lead on the preparation of Supplementary Guidance on a Developer Contributions Transport Framework and a Project Brief and Timeline agreed. A working group made up of officers from within the Member Authorities and Transport Scotland has also been convened. Any technical support spend on this work will therefore likely fall into the 2018 / 2019 financial year albeit that there will be a continuous review of additional work required in this area with an assessment of resources available in-house undertaken first to ensure best value and minimal spend where possible.
- 2.8 A sum of £2,500 has been allocated to technical support in financial year 2017 / 2018 and this relates to the provision of technical GIS and mapping support from the City of Edinburgh. SESplan does not have any mapping or GIS capability / expertise and mapping will be required in support of the Supplementary Guidance on Developer Contributions as well as Green Networks.
- 2.9 Across the entire Operating Budget for 2017 / 2018, the updated position as at November 2017 is a forecast underspend of £134,730.

### **3. SESplan Operating Budget 2018 / 2019**

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- 3.1 Over the first few months of the 2018 / 2019 financial year, the Core Team will be focussed on the Examination and Approval stages of SDP2s preparation including updating the Proposed Plan with any modifications arising from the Report of Examination and preparing post approval documents such as the post adoption SEA statement, Habitats Regulation Appraisal and the Action Programme. The target for the Report of the Examination is the 27 March 2018, with approval of SDP2 in July 2018.
- 3.2 The staffing assumptions for 2018 / 2019 are £75,000 and include SDP Manager (0.2FTE), Lead Officer (0.86FTE) and Graduate Planner (1FTE, temporary contract to 6 May 2018). This also includes allowance for additional resources to be brought into the Core Team should they be required.

- 3.3 The Proposed Plan states that Supplementary Guidance will be required to be prepared on Cross Boundary Transport Developer Contributions Framework and Green Network Priority Areas for Key Areas of Change South East and Edinburgh and West. As stated above Project Managers for these three pieces of Supplementary Guidance have been appointed and working groups convened. A technical support budget has been identified to accommodate this work and any other technical assessments should they be required. As stated above there will be a continuous review of all technical analysis / assessments required with resources available in-house utilised first to ensure best value and minimal spend where possible.
- 3.4 The response on the Proposed Plan from Scottish Government advised that further work is required on heat, wind and minerals and that this work should also take the form of Supplementary Guidance. SESplan disagrees that further Supplementary Guidance is required in these areas; however the requirement to prepare this additional guidance is dependent on the outcome of the Examination. The Reporter may be so minded to require Supplementary Guidance is prepared. Any Supplementary Guidance on heat, wind or minerals will be required to be approved within one year of Plan approval i.e. no later than July 2019 and additional resources either within the Core Team or from Member Authorities or potentially under the technical spend allocation will be required to be identified.
- 3.5 For other fixed costs within 2018 / 2019, costs remain largely the same as 2017 / 2018. The largest spend is IT which includes the running and maintenance of Objective Connect and the online SESplan Consultation Portal at £12,500 and the operation and running of the SESplan email and website (£2,900). Costs for accommodation in West Lothian Civic Centre remain the same.
- 3.6 Printing / photocopying and advertising / marketing costs are £4,000 each and will include the printing and publication of the approved SDP2. Copies are required to be provided to every library in the SESplan area, neighbouring authorities and planning receptions and notification of the Plan's approval is required to be advertised in a newspaper. Costs for technical support are £65,000 and include for modelling / appraisal work to support the Supplementary Guidance on Developer Contributions as well as mapping / GIS or further technical analysis and / or assessments that may be required. A 10% contingency of £7,350 has also been included.

- 3.7 The Audited Accounts at the end of 2016 / 2017 show a reserve of £91,315. On the basis of the savings indicated in the updated forecast for 2017 / 2018, this will result in a further increase of reserves at the end of 2017 / 2018 to £191,320.
- 3.8 Going into 2018 / 2019, as shown in Appendix 1, member contributions are proposed to be set at £10,000 per member authority. This is a budget proposition made for this year only as a pragmatic way of managing the significant reserves to be built up by the end of 2017 / 2018. Member contributions in 2017 / 2018 were set at £44,000, to reduce contributions to £10,000 in 2018 / 2019 represents a 23% saving.
- 3.9 It is requested that member authorities ensure that contributions of £10,000 are in place by the start of the next financial year and note that an Operating Budget for 2019 / 2020 will be brought to a meeting in late 2018 for Joint Committee consideration.

## Report Contact

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Alice Miles

Acting SDP Manager

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## Appendices

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Appendix 1                      Operating Budget 2017 / 2018 Forecast and Operating Budget 2018 / 2019



DESCRIPTION	17 / 18 Budget Approved at Joint Committee March 2017	17 / 18 Forecast at November 2017	Variance 17 / 18 Approved Budget vs. 17 / 18 Forecast	18 / 19 Operating Budget
Staff	160,931	102,000	58,931	75,000
Training	1,000	2,000	-1,000	1,000
Rent (including Service Charge)	7,487	4,292	3,195	4,292
Travel	4,200	1,500	2,700	1,500
IT (Hardware, Software and Maintenance)	15,555	15,500	55	15,500
Mobile Line Rental	102	203	-101	206
Audit / Professional Fees	3,400	3,400	0	3,400
Miscellaneous	1,500	1,500	0	1,500
<b>Total Fixed Costs</b>	<b>194,175</b>	<b>130,395</b>	<b>63,780</b>	<b>102,398</b>
Examination	30,000	20,000	10,000	0
Technical Support	60,000	2,500	57,500	65,000
Printing / Photocopying	1,000	4,000	-3,000	4,000
Postages / Franking	500	500	0	500
Advertising / Marketing	4,000	4,000	0	4,000
Contingency 10%	9,550	3,100	6,450	7,350
<b>Total Variable Costs</b>	<b>105,050</b>	<b>34,100</b>	<b>70,950</b>	<b>80,850</b>
<b>Total Expenditure</b>	<b>299,225</b>	<b>164,495</b>	<b>134,730</b>	<b>183,248</b>
Member Authority Contributions	264,000	264,000	0	60,000
Sales	0	0	0	0
Income / Interest on Revenue Balance	200	500	-300	0
<b>Total Income</b>	<b>264,200</b>	<b>264,500</b>	<b>-300</b>	<b>60,000</b>
<b>Net</b>	<b>-35,025</b>	<b>100,005</b>	<b>-135,030</b>	<b>-123,248</b>
Take From / Add to Reserves	-35,025	100,005		-123,248
<b>Usable reserve balance</b> (Reserves at 31 March 2017 £91,315)	<b>56,290</b>	<b>191,320</b>		<b>68,072</b>
<b>Usable reserve as % of expenditure</b>	<b>18.8%</b>	<b>116.3%</b>		<b>37.1%</b>
Target reserve (1 month's operating costs)	24,935	13,708		15,271
Shortfall on target reserve of 1 month's operating costs	31,355	177,612		52,801

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The Strategic Development Planning Authority  
for Edinburgh and South East Scotland

SESPLAN JOINT COMMITTEE

27 NOVEMBER 2017

FOR INFORMATION

## ITEM 9 – AUDITED ACCOUNTS AND REPORT OF ANNUAL AUDIT 2016 / 2017

Report by: Alice Miles, Acting SDP Manager

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### Purpose

This Report presents the SESplan Audited Accounts and Report of Annual Audit 2016 / 2017 for SESplan Joint Committee Consideration.

### Recommendations

It is recommended that the SESplan Joint Committee:

1. Notes the Audited Accounts 2016 / 2017, attached as Appendix 1 to this Report and as signed by the Convener, Acting SDP Manager and SESplan Treasurer on the 26 September 2017; and
2. Notes the Report of Annual Audit 2016 / 2017, attached as Appendix 2 to this Report.

### Resource Implications

As set out below.

### Legal and Risk Implications

As set out below.

### Policy and Impact Assessment

No separate impact assessment is required.

## 1. Audited Accounts and Report of Annual Audit 2016 / 2017

- 1.1 At its meeting on the 26 June 2017, the SESplan Joint Committee noted the unaudited accounts for 2016 / 2017 and agreed that they be made available on the SESplan website for comment.

- 1.2 No comments were received and the accounts have now been audited. Both the accounts and report of annual audit are required to be signed by the Convener, Acting SDP Manager and Treasurer no later than the 30 September with the audited accounts laid before a meeting of the authority within two months of receipt of the documents.
- 1.3 The Audited Accounts for 2016 / 2017 are attached to this Report as Appendix 1, with the Report of Annual Audit included as Appendix 2. The key messages as noted on Page 5 of the Report of Annual Audit are:
- SESplan has appropriate financial budgeting arrangements in place which provide timely and reliable information for monitoring financial performance;
  - SESplan uses the corporate financial systems of Fife Council for its operations. These systems are operating satisfactorily;
  - SESplan’s financial position is sustainable in the foreseeable future. It has a sufficient level of reserves in place and there is a medium term financial plan which aligns to the objectives of a strategic development planning authority.
  - SESplan has appropriate governance arrangements in place for an organisation of its size. It is open and transparent in the way that it conducts its business, with the public able to attend meetings of the Joint Committee. Minutes and agenda papers are readily available on the website.
  - An annual performance report showing progress against key objectives along with actions required in the next year is considered by the Joint Committee. This enables members to monitor performance and hold officers to account on key delivery targets.
- 1.4 The Action Plan for 2016 / 2017 notes that the change in personnel during the year and the way the remuneration has been reflected has resulted in an overstatement of senior employee salaries of £822. The Authority should ensure that the remuneration report complies with regulations in future years. The Action Plan also notes that although the unaudited accounts were available for review they were only advertised as being available for 13 working days rather than the 15 working days required. This was due to public holidays, with the accounts to be advertised for the correct period next year avoiding public holidays.

1.5 The Audited Accounts and Report of Annual Audit were signed by the SESplan Joint Committee Convener, Treasurer and Acting SDP Manager on the 26 September 2017 and are available on the [SESplan website](#).

## **Appendices**

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Appendix 1	Audited Accounts 2016 / 2017
Appendix 2	Report of Annual Audit 2016 / 2017

## **Report Contact**

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Alice Miles, Acting SDP Manager

01506 282880

[alice.miles@sesplan.gov.uk](mailto:alice.miles@sesplan.gov.uk)



# SESplan

The Strategic Development Planning Authority  
for Edinburgh and South East Scotland

**SESplan**

**Annual Accounts 2016-17**



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## MANAGEMENT COMMENTARY

### INTRODUCTION

Four strategic development planning authorities (SDPAs) were designated by Scottish Ministers in May 2008 under Section 4 of the Planning etc. (Scotland) Act 2006. SESplan is the Strategic Development Planning Authority for Edinburgh and South East Scotland.

The membership of SESplan comprises 6 local authorities, these being East Lothian Council, City of Edinburgh Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council.

The key role of SESplan is the preparation and maintenance of an up-to-date Strategic Development Plan (SDP) . This process involves engaging key stakeholders and the wider community. The first SDP was approved by Scottish Ministers on 27 June 2013. The purpose of the SDP is to assess cross boundary issues between the 6 member authorities. These issues include housing, transport, employment, infrastructure and energy .

The SDP replaced the Edinburgh and Lothians Structure Plan, Fife Structure Plan and the Scottish Borders Structure Plan. Housing Land Supplementary Guidance, which provides further details on housing land requirements in support of the SDP, was formally adopted as part of the development plan by all SESplan authorities on 28 October 2014. The individual councils are now preparing Local Development Plans in order to implement the requirements of the approved SDP.

The Planning etc. Scotland (Act) 2006 Section 10(8) requires that a second proposed Strategic Development Plan (the Proposed Plan) must be submitted for Examination within 4 years of the approval of the current SDP i.e.no later than 27 June 2017.

As set out in the published Development Plan Scheme and reported to Joint Committee, work on the Proposed Plan began with early awareness raising in April 2014. This was followed by the preparation of a Main Issues Report (MIR2) which was published for a 10 week consultation on the 21 July 2015. A total of 240 consultees responded to MIR2 raising 2,765 comments.

These comments fed into the preparation of the Proposed Plan which was approved for publication by the SESplan Joint Committee on the 20 June 2016. Following ratification by each of the six member authorities, the Proposed Plan was published for a six week period for representations on the 13 October 2016. A total of 802 representations were received from 168 representees.

SESplan's future aims are to meet its statutory duties under the Planning etc. (Scotland) Act 2006 and to support secondary legislation. In particular, the authority will prepare, monitor and keep under review a Strategic Development Plan for Edinburgh and South East Scotland. To enable it to achieve these aims, SESplan will maintain effective governance and strategic management processes and apply effective project management. In 2016-17, SESplan published a Proposed Plan, Action Programme and supporting documents. In 2017-18, the Proposed Plan will be submitted to the Scottish Ministers and it is expected that the Ministers will approve the Plan in early 2018. SESplan is committed to producing statutory supplementary guidance to the Plan within one year of its approval. Following the publication of the independent review of the planning system in May 2016, the legislative framework within which SESplan operates may change but SESplan will continue to meet statutory requirements pending clarification of long term arrangements for development planning in Scotland. SESplan will continue to be supported by professional resources in the Core team and draw on additional resources from member authorities when required.

A report on the SESplan approach to risk management is considered by SESplan Joint Committee at the end of each calendar year. An update on risk management was considered by Committee in November 2016. This report is available at:

<http://www.sesplan.gov.uk/assets/Joint%20Committee/28%20November%202016/Item%205%20-%20Risk%20Management.pdf>

The previous holder of the post of Strategic Development Plan Manager retired from the post on 4 September 2016. The Project Board has ensured that professional support for the Joint Committee will continue to be provided in accord with SESplan's Constitution through the appointment of Alice Miles as Acting Strategic Development Plan Manager until the end of the SDP examination, this is currently scheduled for March 2018.

This management commentary is intended to provide a brief narrative on SESplan's financial position, as presented in these annual accounts for the financial year 2016-17.

The financial results for 2016-17 are set out in the following pages along with the accounting policies that have been adopted to ensure that the accounts present a true and fair view of the Authority 's financial performance.

#### ACCOUNTING POLICIES

The Statement of Accounting Policies sets out the basis on which the financial statements have been prepared and explains the accounting treatment of both general and specific items.

#### FINANCIAL PERFORMANCE

The Comprehensive Income and Expenditure Statement shows that there was a surplus of £55,866 during 2016-17 , which reflects the resources consumed during the year against the income generated . The expenditure in the year was £223,723 and related mainly to staffing, I.T costs and consultancy costs. This was funded from contributions from partners of £46 550 each, a total of £279,300.

During the year SESplan achieved an under-spend on budget of £62,613. This was mostly due to a saving of £50,161 on employee costs due to turnover at Acting Manager level. The activities of SESplan are cyclical which means that the organisation needs to use the reserve to cushion the impact of uneven cash flows. The cumulative surplus for the usable reserve is carried forward to 2017-18 and used to support all activities of the Authority.

The Balance Sheet as at 31 March 2017 shows a net asset position of £91,315.



Eileen Rowand MBA, CPFA  
Treasurer  
26 September 2017



Alice Miles  
Acting SDPA Manager  
26 September 2017



Councillor Stuart Bell  
Convenor of Joint Committee  
26 September 2017

## 1.0 GOVERNANCE ARRANGEMENTS

1.1 The designation order which formally constituted the Edinburgh and South East Scotland Strategic Development Planning Authority (SDPA known as SESplan) came into force on the 25 June 2008. Paragraph 1.1 of the SESplan Constitution sets out that: 'The following planning authorities comprise the Strategic Development Planning Authority for the Edinburgh city region: the City of Edinburgh Council, East Lothian Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council.' This group of authorities has a statutory duty under Section 4 of the Planning etc. (Scotland) Act 2006 to work together and prepare, and keep under review, a Strategic Development Plan (SDP) for the Edinburgh city region.

1.2 SESplan is made up of a Joint Committee comprising two Elected Members from each of the six member planning authorities, a Project Board (one Director / Head of Service from each member authority) and a Core Team. The Core Team is supported by an Operational Group (one Manager / Team Leader from each member authority) and a series of project teams, which include resources from each of the member authorities. Representatives of the key agencies also contribute to some project teams, for example on green networks, a place to do business and a better connected place.

1.3 The Joint Committee meets no less than twice per year to make decisions on the content and preparation of the SDP as well as the governance and finance of SESplan. The Committee is convened by one member authority, rotated ever two calendar years. Current convener is Scottish Borders Council with vice convener Fife Council. Fife Council will take office as convener on the 1 January 2018 with Midlothian to become the vice convener. A report on the rotation of convener and work plan for 2018 for the Joint Committee will be considered at the November 2017 meeting.

1.4 As described in the SESplan Constitution, all major decisions, for example about the content of the SDP, but with the exception of submission of the Proposed Plan to Scottish Ministers when no modifications are proposed, will require to be ratified by each of the six member authorities. The level of delegated authority to the Joint Committee is governed by a separate Scheme of Delegation.

1.5 The governance of SESplan was last reviewed in 2015.

1.6 The Project Board as set out in paragraph 1.2 above is made up of one senior officer from each member authority. The Project Board is responsible for the direction and management of SESplan including the programme for the preparation of the SDP, the work of the SDP Manager, agreeing reports for consideration by Joint Committee and ensuring that the decisions of the Joint Committee are implemented.

1.7 SESplan is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. SESplan also has a duty under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised. In discharging this responsibility, elected members and senior officers are responsible for putting in place proper arrangements for the governance of SESplan's affairs and facilitating the effective exercise of its functions which includes the management of risk.

1.8 In discharging this overall responsibility, SESplan has adopted practices which are consistent with the principles and reflects the requirements of the CIPFA / SOLACE (Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives and Senior Managers) Framework "Delivering Good Governance in Local Government".

1.9 SESplan has put in place appropriate management and reporting arrangements for the management of risk and a report on risk management is considered by Joint Committee at the end of each calendar year. An update on risk management was considered by Committee in November 2016 with the next update to be considered in November 2017.

1.10 It should be noted that a sound system of Corporate Governance and internal control provides only reasonable, but not absolute, assurance that SESplan will not be hindered in achieving its objectives or in the orderly and legitimate conduct of its business by circumstances which may reasonably be foreseen. A system of Corporate Governance and internal control cannot provide protection with certainty against an organisation failing to meet its objectives or material errors, losses, fraud, or breaches of laws or regulations.

## 2.0 Purpose of the governance framework

2.1 The governance framework comprises the structure; systems and processes, and culture and values by which the authority is directed and controlled and the activities by which it accounts to and engages with its customers and the community. It enables the 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.

2.2 Key elements of good corporate governance include honesty, trust and integrity, openness, performance focus, responsibility and accountability, management of risk, mutual respect and commitment to the organisation. To that end the system of corporate governance and internal control in SESplan is based on a framework that includes:

- SESplan Constitution;
- Scheme of Delegation;
- SESplan Standing Orders;
- SESplan Financial Rules;
- SESplan Joint Committee Work Plan;
- Comprehensive training and development arrangements for councillors and employees;
- Comprehensive budgeting systems;
- Regular planning and performance management reports;
- Biannual finance reports which indicate actual and projected financial performance against budget;
- Setting and monitoring targets for financial and other performance;
- Embedding risk management within SESplan; and
- Other formal programme and project management disciplines as appropriate.

2.3 Fife Council acts as the employer of SESplan individuals as well as being the organisation through which SESplan records all expenditure. SESplan, as a result, also adheres to the following :

- Fife Council Code of Conduct for employees
- Parent authority's Code of Conduct for councillors
- Fife Council HR Plans and Policies

2.4 The Internal Audit function is provided by the Audit and Risk Management Services Division of Fife Council. It operates in accordance with the Public Sector Internal Audit Standards. The Division undertakes an annual programme of work approved by Fife Council's Standards and Audit Committee based on a five year strategic audit plan. The strategic audit plan is based on a formal risk assessment process and is amended on an ongoing basis to reflect evolving risks and changes within the Council. SESplan was not included in this annual programme for 2016 -2017 but is due to be reviewed in 2017 – 2018.

2.5 SESplan uses the corporate financial systems of Fife Council, which are subject to review by both the Council's internal audit service and its external auditor. There were no significant lapses in data security.

## 3.0 Review of effectiveness

3.1 SESplan has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review of effectiveness is informed by:

- The Audit & Risk Management Services Manager's annual assurance statement for Fife Council. In this regard, the most recent assurance statement states that the systems of Corporate Governance and internal control remain in the main robust with improvements in a number of areas and action being taken to address areas of weakness. In general , a medium level of control exists and reasonable assurance can be placed upon the adequacy and effectiveness of the Council's systems of Corporate Governance and internal control system in the year to 31 March 2017.
- comments made by the external auditors and other review agencies and inspectorates ;
- the review of various forms of customer and stakeholder feedback.

3.2 I am also clear that the Authority's financial management arrangements conform to the governance requirements of the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Financial Officer in Local Government (2010).

#### 4.0 Significant Governance Issues

4.1 There are no significant governance issues. The governance of SESplan was last reviewed in 2015 and the arrangements comply with the Delivering Good Governance Framework.

#### 5.1 Assurance

5.1 Having reviewed the above, it is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Authority's system of internal control.



Alice Miles  
Acting SDPA Manager  
26 September 2017



Councillor Stuart Bell  
Convenor of Joint Committee  
26 September 2017

**REMUNERATION REPORT**

All information disclosed in the tables contained within this Remuneration Report has been audited by Audit Scotland . The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements .

**REMUNERATION ARRANGEMENTS**

**1. Senior Councillors**

No remuneration was paid by SESplan to the Local Authority Councillors who are members of the SESplan Joint Committee . There is therefore no information to report.

**2. Senior Employees**

Senior employees as defined in the Local Authority Accounts (Scotland) Regulations 2014 include any local authority employee -

- (a) who has responsibility for management of the local authority to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the financial year to which the Report relates, whether solely or collectively with other persons;
- (b) who holds a post that is politically restricted by reason of section 2(1)(a), (b) or (c) of the Local Government and Housing Act 1989(a); or
- (c) whose annual remuneration, including any annual remuneration from a local authority subsidiary body, is £150,000 or more.

The following table provides details of the remuneration of SESplan's senior employees as defined by the Act.

Alice Miles salary comprises £2,720 for Acting Strategic Development Plan Manager 0.4 FTE Jan - Mar 2017, the balance is another post within SESplan.

Senior Employee	Post	2016-17			2015-16
		Salary, Fees and Allowances £	Taxable Expenses £	Total Remuneration £	Total Remuneration £
Ian Angus 1 FTE April 16 - Sept 16	Strategic Development Plan Manager (full year equivalent £60,538)	29,009	454	29,463	60,676
Alice Miles 0.4 FTE Jan 17 - Present	Acting Strategic Development Plan Manager (full year equivalent £39,177)	4,587	0	4,587	0

**3. General Disclosure by Pay Band**

Remuneration Bands	Number of Employees	
	2016-17	2015-16
£50,000- £54,999	0	0
£55,000- £59,999	0	1

#### 4. Pension Benefits

Pension benefits for SESplan employees are provided through the Local Government Pension Scheme (LGPS). The LGPS is a funded scheme made up of contributions from employees and the employer. For local government employees this was a final salary pension scheme up until March 2015. This meant that pension benefits were based on the final years' pay and the number of years the person had been a member of the scheme. From April 2015, the scheme has changed to a career average (CARE) scheme but an employee's pre April 2015 pension will still be linked to his or her final salary.

The scheme's normal retirement age for employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contribution rates were set at 6% for all non manual employees.

The 2016-17 members' contribution rates have not changed from the 2014-15 rates, but there has been a change to the tiers, as follows:

Actual Pay 2016-17	Contribution Rate 2016-17	Whole Time Pay 2015-16	Contribution Rate 2015-16
On earnings up to and including £20,500	5.50%	On earnings up to and including £20,500	5.50%
On earnings above £20,501 and up to £25,000	7.25%	On earnings above £20,501 and up to £25,000	7.25%
On earnings above £25,001 and up to £34,400	8.50%	On earnings above £25,001 and up to £34,400	8.50%
On earnings above £34,401 and up to £45,800	9.50%	On earnings above £34,401 and up to £45,800	9.50%
On earnings above £45,801	12.00%	On earnings above £45,801	12.00%

If a person works part-time their contribution rate is worked out on the actual pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. From April 2015 onwards, the pension will be built up at 1/49th of pensionable pay.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age, without exercising any option to commute pension entitlement into a lump sum and without any adjustment for the effects of future inflation.

The pension entitlement for the senior employee for the year to 31 March 2017 is shown in the table below, together with the contribution made by the council to the senior employee's pension during the year.

The Local Government Pension Scheme is a funded scheme with contributions from both the employer and the employee (see above for details) and as such the accrued benefits includes both of these contributions.

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their total local government service, including any service with a council subsidiary body, and not just their current appointment.

The accrued pension benefits for Alice Miles for the Acting Strategic Development Plan Manager post are £56 and employers contributions are £642, the balance relates to another post held within SESplan.

Senior Employee	Post	In-year employers contributions			Accrued Pension Benefits	
		For Year to 31 March 2017 £	For Year to 31 March 2016 £		As at 31 March 2017 £	Difference from 31 March 2016 £
Ian Angus	Strategic Development Plan Manager	6,842	13,559	Pension	0	(41,000)
				Lump Sum	0	0
Alice Miles	Acting Strategic Development Plan Manager	1,083	0	Pension	6,025	6,025
				Lump Sum	0	0

Alice Miles  
SDPA Manager  
26 September 2017

Councillor Stuart Bell  
Convenor of Joint Committee  
26 September 2017

## STATEMENT OF RESPONSIBILITIES

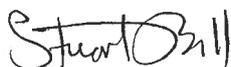
### THE AUTHORITY'S RESPONSIBILITIES

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Treasurer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to 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).
- to approve the annual accounts for signature by 30 September.

I confirm that these annual accounts were approved for signature on behalf of SESplan on 26th September 2017.

Signed on behalf of Sesplan



Councillor Stuart Bell  
Convenor of Joint Committee

### RESPONSIBILITIES OF THE TREASURER

The Treasurer is responsible for the preparation of the authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting 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 local authority Accounting Code (in so far as it is compatible with legislation).

The Treasurer has also:

- kept adequate accounting records which were up to date,
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that these accounts give a true and fair view of the financial position of the authority at the reporting date and its income and expenditure for the year ended 31 March 2017.



Eileen Rowand MBA, CPFA  
Treasurer  
26 September 2017

# **Independent auditor's report to the members of the Strategic Development Planning Authority for Edinburgh and South East Scotland and the Accounts Commission**

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

## **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 the Strategic Development Planning Authority for Edinburgh and South East Scotland for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, 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 2016/17 (the 2016/17 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the body as at 31 March 2017 and of its surplus on the provision of services 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 2016/17 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 of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). 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 am independent of the body 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 Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of the Treasurer 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.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the body and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements.

My objectives are to achieve 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&I) 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.

## **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 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.

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## **Report on other requirements**

### **Opinions on other prescribed matters**

I am required by the Accounts Commission to express an opinion on the following matters. In my opinion, the auditable 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 auditable 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; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

*M. Tate*

Pearl Tate CPFA  
Senior Audit Manager  
Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

26 September 2017

## MOVEMENT IN RESERVES STATEMENT

### EXPLANATORY NOTE

This statement shows the movement in the year on the different reserves held by the organisation, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and unusable reserves. The (Surplus) or Deficit on the Provision of Services shows the true economic cost of providing the organisation's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the usable reserves. The unusable reserves consist of the Employee Statutory Adjustment Account which absorbs the differences that would otherwise arise on the usable reserves balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the usable reserves is neutralised by transfers to or from the account.

	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>Balance at 31 March 2016 carried forward</b>		(42,675)	7,226	(35,449)
<b><u>Movement in Reserves during 2016-17</u></b>				
(Surplus) or deficit on provision of services		(55,866)	0	(55,866)
Other Comprehensive Expenditure and Income		0	0	0
<b>Total Comprehensive Expenditure and Income</b>		<b>(55,866)</b>	<b>0</b>	<b>(55,866)</b>
Adjustments between accounting basis & funding basis under regulations	4	6,026	(6,026)	0
<b>(Increase)-Decrease in Year</b>		<b>(49,840)</b>	<b>(6,026)</b>	<b>(55,866)</b>
<b>Balance at 31 March 2017 carried forward</b>		<b>(92,515)</b>	<b>1,200</b>	<b>(91,315)</b>
		Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>Balance at 31 March 2015 carried forward</b>		(50,836)	5,260	(45,576)
<b><u>Movement in Reserves during 2015-16</u></b>				
(Surplus) or deficit on provision of services		10,127	0	10,127
Other Comprehensive Expenditure and Income		0	0	0
<b>Total Comprehensive Expenditure and Income</b>		<b>10,127</b>	<b>0</b>	<b>10,127</b>
Adjustments between accounting basis & funding basis under regulations	4	(1,966)	1,966	0
<b>(Increase)-Decrease in Year</b>		<b>8,161</b>	<b>1,966</b>	<b>10,127</b>
<b>Balance at 31 March 2016 carried forward</b>		<b>(42,675)</b>	<b>7,226</b>	<b>(35,449)</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

### EXPLANATORY NOTE

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices

2015-16 Gross Expenditure £	2015-16 Gross Income £	2015-16 Net Expenditure £	Notes	2016-17 Gross Expenditure £	2016-17 Gross Income £	2016-17 Net Expenditure £
222,729		222,729		178,138		178,138
7,453		7,453		7,376		7,376
4,722		4,722		3,434		3,434
54,739		54,739		34,775		34,775
	0	0			0	0
<b>289,643</b>	<b>0</b>	<b>289,643</b>		<b>223,723</b>	<b>0</b>	<b>223,723</b>
	(216)	(216)			(289)	(289)
	(279,300)	(279,300)	7		(279,300)	(279,300)
		<b>10,127</b>		<b>223,723</b>	<b>(279,589)</b>	<b>(55,866)</b>
	0	0			0	0
		<b>10,127</b>		<b>223,723</b>	<b>(279,589)</b>	<b>(55,866)</b>

There are no statutory or presentation adjustments which affect SESplan's application of the funding. The presentation in the Comprehensive Income & Expenditure Statement is as reported at the SESplan Committee.

Consequently, an Expenditure and Funding Analysis is not provided in these Annual Accounts.

## BALANCE SHEET

### EXPLANATORY NOTE

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by SESPlan. The net assets of the organisation (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the organisation may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2016	Balance Sheet as at 31 March	Notes	31 March 2017
£			£
12,450	Debtors and Pre-payments	5	11,617
74,464	Advance to Fife Council Loans Fund	8	97,151
86,914	<b>Current Assets</b>		108,768
(51,465)	Creditors	6	(17,453)
(51,465)	<b>Current Liabilities</b>		(17,453)
35,449	<b>Net Assets</b>		91,315
(42,675)	Usable Reserves		(92,515)
7,226	Employee Statutory Adjustment Account	4	1,200
(35,449)	<b>Total Reserves</b>		(91,315)

The unaudited accounts were issued on 30 June 2017 and the audited accounts were authorised for issue on 26 September 2017.



**Eileen Rowand, MBA, CPFA**  
Treasurer  
26 September 2017

## CASH FLOW STATEMENT

### EXPLANATORY NOTE

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. SESplan does not generate any cash inflow through investing or financing activities.

2015-16	Notes	2016-17
£ Operating Activities		£
<u>Cash Outflows</u>		
213,881 Cash paid to and on behalf of employees		159,767
67,307 Other operating cash payments		<u>97,135</u>
<b>281,188 Total Payments</b>		<b>256,902</b>
<u>Cash Inflows</u>		
(216) Interest received in cash		(289)
(279,300) Other operating cash receipts		<u>(279,300)</u>
<b>(279,516) Total Receipts</b>		<b>(279,589)</b>
<b>1,672 Net Cash Outflow-(Inflow) from Operating Activities</b>	<b>9</b>	<b>(22,687)</b>
<b>1,672 Net Decrease(Increase) in Cash-Cash Equivalents</b>		<b>(22,687)</b>
76,136 Cash and cash equivalents at the beginning of the period		74,464
74,464 Cash and cash equivalents at the end of the period	8	97,151

## NOTES TO THE FINANCIAL STATEMENTS

### 1. STATEMENT OF ACCOUNTING POLICIES

#### A) GENERAL PRINCIPLES

These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016-17. The accounts are prepared in accordance with the fundamental accounting principles in terms of the characteristics required, the materiality of the information involved and the accounting concepts underlying the preparation of the accounts. The two essential fundamental characteristics are that the financial information is relevant and is a faithful representation of the authority's financial performance. The desirable qualitative characteristics of the financial information are that they are comparable, verifiable, timely and understandable. Every attempt has been made to ensure these characteristics have been achieved. In compiling these accounts underlying assumptions have been made. These are that the accounts should be on the accrual basis; that the organisation is a going concern, and the primacy of legislation.

In calculating relevant figures for the accruals suitable estimation techniques have been used, using previous years' experience, relevant data and the guidance contained within the Code.

Fife Council is acting as the lead authority for the financial matters in relation to SESplan, therefore, the accounting policies and concepts applied are consistent with those of Fife Council. Those which are relevant for SESplan are detailed in this document.

#### B) ACCRUALS OF INCOME & EXPENDITURE

In accordance with the Code, the annual accounts have been compiled on an accruals basis. Accruals are made for all material debtors and creditors within the accounts. Accruals have been made for payroll costs where pay has been earned but not paid, supplies and services where they have been received or consumed within the financial year, for interest due and payable on external borrowings and for customer and client receipts due and receivable in the period to which they relate.

The main accrual bases used are as follows :

Payroll Costs : A calculation of the salaries and wages paid in 2017-18 which relate to 2016-17 is made and accrued back to 2016-17 based on the number of days which relate to the period to 31 March 2017.

Travelling Expenses: Estimate of claims paid in 2017-18 that relate to 2016-17.

Holiday Pay: Based on the employees' holiday and flexi leave earned during 2016-17 but not taken by 31 March 2017.

Supplies and Services : Based on purchase ordering and goods receipting information held in the Council's financial systems and by SESplan.

Interest: Based on Fife Council's Investment and Banking team's records of external and internal loans.

#### C) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### D) PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error . There have been none for this period.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. There have been none for this period.

#### E) EMPLOYEE BENEFITS & PENSION COSTS

##### Benefits Payable During Employment

The staff of SESplan are directly employed by Fife Council. All salaries and wages, including any pension related costs, are paid through the Fife Council payroll system and charged to SESplan accounts as they are incurred.

All salaries and wages earned up to 31 March 2017 are included in the Accounts irrespective of when payment was made. An accrual is made for the cost of holiday and flexi leave entitlements earned by employees, but not taken before the year end, which employees may carry forward into the next financial year.

#### F) EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are those events, both favourable and unfavourable , that occur between the end of the reporting period and the date when the annual accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period - the annual accounts are adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period -the annual accounts are not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the annual accounts.

There were no events after the reporting period relevant to SESplan.

#### G) VALUE ADDED TAX

VAT is included within the relevant revenue or capital accounts only to the extent that it is not recoverable from HM Revenue and Customs. Fife Council manages VAT on behalf on Sesplan.

#### H) RESERVES

SESplan has a usable reserve which is the accumulated surplus of income received less expenditure incurred. This will be used to fund costs in subsequent financial years . It also has an unusable reserve which reflects the accumulated absences earned by staff but not taken by the end of the financial year.

## 2. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the annual accounts is that there is a high degree of uncertainty about future levels of funding for local government. As SESplan is wholly funded through contributions from the six local authority members, this has implications for the levels of funding available to SESplan in future years. However, the authority has determined that this uncertainty is not yet sufficient to provide an indication that its assets might be impaired as a result of a need to reduce levels of service provision.

## 3. AUDIT COSTS

The authority has agreed the following fees in respect of the audit work relating to the respective financial years:

2015-16		2016-17
£		£
3,380	Fee for Appointed Auditors	2,770

This is included in the Supplies & Services line of the Comprehensive Income & Expenditure Statement.

## 4. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2015-16		2016-17
£		£
(5,260)	Settlement or cancellation of accrual made at the end of the preceding year	(7,226)
7,226	Amounts accrued at the end of the current year	1,200
	Amount by which officer remuneration charged to CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	
<u>1,966</u>	Net adjustments	<u>(6,026)</u>

## 5. DEBTORS

2015-16		2016-17
£		£
10,000	Non-government Entities & Individuals	9,167
2,450	Scottish Government	2,450
<u>12,450</u>		<u>11,617</u>

## 6. CREDITORS

2015-16		2016-17
£		£
9,682	Other Local Authorities	5,591
41,783	Other Entities and Individuals	11,862
<u>51,465</u>		<u>17,453</u>

## 7. RELATED PARTY TRANSACTIONS & BALANCES

SESplan is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence it or to be controlled or influenced by it. Disclosure of these transactions allows readers to assess the extent to which the authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority.

For SESplan, these related parties are the 6 local authorities which are the members of the organisation, i.e. East Lothian Council, City of Edinburgh Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council. During the year SESplan received £46,550 as a funding contribution from each of the above related parties (2015-16, £46,550 from each). The total contributions from the members amounted to £279,300 in 2016-17 (2015-16, £279,300). Payments in 2016/17 were City of Edinburgh Council £5,482 and West Lothian Council £9,955 (2015-16 City of Edinburgh Council £4,496, West Lothian Council £9,953 and Scottish Borders Council £11,910).

SESplan is located at premises at West Lothian Council. For more information see Note 10.

Fife Council manages SESplan's cash reserves. More details relating to this can be found in Note 8.

There were no amounts due from related parties at 31 March 2017. The amounts due to related parties at that date were:

2015-16		2016-17
£		£
0	City of Edinburgh Council	5,232
9,682	West Lothian Council	359

#### 8. ANALYSIS OF INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

2015-16		2016-17
£		£
76,136	Balance at 1 April	74,464
<u>(1,672)</u>	Advance to or from other accounts	<u>22,687</u>
<u>74,464</u>	Balance at 31 March	<u>97,151</u>

This is an advance to Fife Council's Loans Fund. Fife Council manages the cash on behalf of SESplan.

#### 9. RECONCILIATION OF (SURPLUS)/DEFICIT ON INCOME AND EXPENDITURE TO THE CASH FLOW STATEMENT

2015-16		2016-17
£		£
10,127	(Surplus) or Deficit on the Comprehensive Income and Expenditure Statement	(55,866)
2,450	Increase or (Reduction) in Debtors	(833)
<u>(10,905)</u>	(Increase) or Reduction in Creditors	<u>34,012</u>
<u>1,672</u>	Net Cash Outflow-(Inflow) From Operating Activities	<u>(22,687)</u>

#### 10. LEASES

SESplan is located at premises at West Lothian Council. The lease runs until 31 March 2017 and the costs are charged to the Comprehensive Income and Expenditure Statement. For 2016-17 the rent was £3,380 and service charges were £3,996. Rent has been agreed at £2,028 for 2017/18 and service charges are estimated at £2,392, subject to an annual review. The reduction is due agreed reduction in desk space.

#### **11. PENSION SCHEME ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEME**

SESplan's members of staff are employed by Fife Council and as such they are entitled to be members of the Superannuation Scheme which is administered by Fife Council. This provides staff with defined benefits upon their retirement and SESplan contributes towards the costs by making contributions based on a percentage of members' pensionable salaries .

SESplan is not a member of the Fife Pension Fund, and therefore has no underlying liabilities or obligations to the fund for SESplan's members of staff. Any liabilities or obligations would fall to Fife Council.

In 2016-17, SESplan paid £29,955 (£35,850 in 2015-16) in respect of superannuation contributions representing 23.6% of pensionable pay of those individuals who have joined the scheme (2015-16: 22.7%).

The employing authority is responsible for all pension payments related to "added years" it has awarded, together with related increases. Fife Council, as the employing authority, has made no awards during 2016/17.

#### **12. EVENTS AFTER THE BALANCE SHEET**

There were no events after the reporting period relevant to SESplan.





# The Strategic Development Planning Authority for Edinburgh and South East Scotland

2016/17 Annual Audit Report

 AUDIT SCOTLAND

To Members of the Strategic Development Planning Authority for Edinburgh and South East Scotland and  
the Controller of Audit

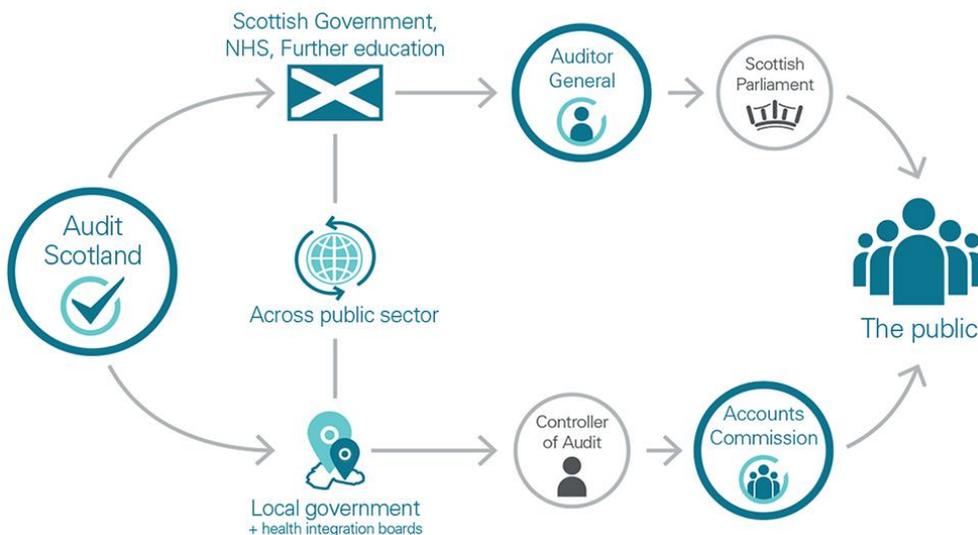
26 September 2017



## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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# Key messages

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## Audit of the 2016/17 annual accounts

- 1 Our audit opinions were all unqualified. These covered the financial statements, management commentary, remuneration report and the annual governance statement.

## Financial management

- 2 SESplan has appropriate financial budgeting arrangements in place which provide timely and reliable information for monitoring financial performance.
- 3 SESplan uses the corporate financial systems of Fife Council for its operations. These systems are operating satisfactorily and no significant internal control weaknesses have been identified.

## Financial sustainability

- 4 SESplan's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves in place and there is a medium term financial plan which aligns to the objectives of a strategic development planning authority.

## Governance and transparency

- 5 SESplan has appropriate governance arrangements in place for an organisation of its size.
- 6 It is open and transparent in the way that it conducts its business, with the public able to attend meetings of the Joint Committee. Minutes and agenda papers are readily available on the website.

## Value for money

- 7 An annual performance report showing progress against key objectives along with actions required in the next year is considered by the Joint Committee. This enables members to monitor performance and hold officers to account on key delivery targets.

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# Introduction

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1. This report is a summary of the findings arising from the 2016/17 audit of the Strategic Development Planning Authority for Edinburgh and South East Scotland (SESplan).
2. The scope of the audit was set out in our Annual Audit Plan presented to SESplan's March 2017 meeting. This report comprises:
  - an audit of the annual accounts
  - consideration of the four dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 1](#).

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## Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

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3. The main elements of our audit work in 2016/17 have been:
  - an interim audit of SESplan's main financial systems and governance arrangements
  - an audit of SESplan's 2016/17 annual accounts and issue of an independent auditor's report setting out our opinions.
4. SESplan is responsible for preparing a annual accounts that show a true and fair view and fair view in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It is also responsible for establishing effective governance arrangements which enables it to successfully deliver its objectives.

5. Our responsibilities as independent auditor are established by the Local Government in Scotland Act 1973 and the [Code of Audit Practice 2016](#) guided by the auditing profession's ethical guidance.
6. These responsibilities include giving independent opinions on the financial statements, the remuneration report, the management commentary and the annual governance statement. We also review and report on the arrangements within SESplan to manage its performance, and use of resources. In doing this, we aim to support improvement and accountability.
7. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).
8. This report raises matters from the audit of the annual accounts, risks or control weaknesses. Communicating these does not absolve management from its responsibility to address the issues we raise, and to maintain adequate systems of control.
9. Our annual audit report contains an action plan at [Appendix 1](#) which sets out specific recommendations, responsible officers and dates for implementation.
10. As part of the requirement to provide fair and full disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2016/17 audit fee for the audit was set out in our Annual Audit Plan and as we did not carry out any work additional to our planned audit activity, the fee remains unchanged.
11. This report is addressed to both SESplan and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).
12. We would like to thank all management and staff who have been involved in our work for their co-operational and assistance during the audit.

# Part 1

## Audit of 2016/17 annual accounts



### Main judgements

**Our audit opinions were all unqualified. These covered the financial statements, the management commentary the remuneration report and the annual governance statement.**

### Unqualified audit opinions

13. The annual accounts for the year ended 31 March 2017 were approved by SESplan on 26 September 2017. We reported, within our independent auditor's report:

- an unqualified opinion on the financial statements
- unqualified opinions on the management commentary, remuneration report and annual governance statement.

14. Additionally, we have nothing to report in respect of those matters which we are required by the Accounts Commission to report by exception.

SESplan's annual accounts are the principal means of accounting for the stewardship of resources and performance in the use of resources.

### Submission of SESplan's annual accounts for audit

15. We received the unaudited annual accounts on 30 June 2017, in line with the audit timetable set out in our 2016/17 Annual Audit Plan.

16. The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the final accounts process ran smoothly.

### Risk of material misstatement

17. [Appendix 2](#) provides a description of those assessed risks of material misstatement that were identified during the planning process which had the greatest effect on the overall audit strategy, the allocation of resources to the audit and directing the efforts of the audit team. Also, included within the appendix are wider audit dimension risks, how we addressed these and conclusions.

### Materiality

18. Materiality defines the maximum error that we are prepared to accept and still conclude that our audit objective has been achieved (i.e. true and fair view). The assessment of what is material is a matter of professional judgement. It involves considering both the amount and nature of the misstatement.

19. Our initial assessment of materiality for the annual accounts was undertaken during the planning phase of the audit. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively. The assessment of materiality was recalculated on receipt of the unaudited financial statements and is summarised in [Exhibit 2](#).

## Exhibit 2

### Materiality values

Materiality level	Amount
<b>Overall materiality</b> – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It was set at 1% of gross expenditure for the year ended 31 March 2017.	£2,300
<b>Performance materiality</b> – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement we have calculated performance materiality at 60% of overall materiality.	£1,400
<b>Reporting threshold (i.e. clearly trivial)</b> – We are required to report to those charged with governance on all unadjusted misstatements in excess of the 'reporting threshold' amount. This has been calculated at 4% of overall materiality, rounded up to £100.	£100

### How we evaluate misstatements

20. Our audit testing found one invoice included in expenditure for £1,500 which related to 2017/18 and therefore did not form part of this year's accounts. As a result both the surplus for the year and the net reserves were understated by this amount.
21. The Remuneration Report disclosure should identify the remuneration earned by senior officers. The individuals included in the report are paid through Fife Council's payroll system which has a four-weekly pay period. The SDPA Manager post-holder changed during the year and the remuneration report reflects the amounts actually paid to these two individuals rather than the amounts earned. This is not in accordance with the underlying regulation which requires "*The Remuneration Report for each financial year is to show, in tabular form, against the post held and name of each relevant person the total amounts (before tax and other deductions), whether received or receivable, by each relevant person from the local authority or, as the case may be, local authority subsidiary body*". The reference to "or receivable" indicates that the remuneration report should be prepared on an accruals basis. The existing treatment results in an overstatement of senior employee salaries of £822 (2.4%) in the Remuneration Report, however we have decided this is not material to the overall understanding of the accounts.

Action Plan (Appendix 1, point 1).

22. It is our responsibility to request that all errors are corrected although the final decision on this lies with those charged with governance taking into account advice from senior officers and materiality. Management do not propose to adjust for the items above as the amounts are not considered material in the

context of the financial statements. We agree that these amounts are not material.

## Significant findings

23. International Standard on Auditing 260 (UK & Ireland) requires us to communicate to you significant findings from the audit. There are no other significant matters to be reported.

## Going concern

24. In January 2017 the Scottish Government published *Places, People and Planning*, setting out an integrated package of proposed improvements to planning. This confirmed the Scottish Government's intention to "bring forward changes to remove current requirements for strategic development plans to be prepared and replace them with more flexible, but clearly defined duties and powers at this scale." Whilst this clearly impacts on SESplan it is not expected to happen within the next 12 months and therefore the financial statements have been prepared on the going concern basis.

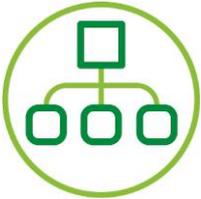
## Other findings

25. Our audit identified a number of presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual accounts.
26. The Local Authority Accounts (Scotland) Regulations 2014 require a local authority body to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period which is 15 working days. Although the accounts were available for review in accordance with the regulations they were only advertised as publically available for 13 working days. The advert should also include details of the auditor and whilst the website identified Audit Scotland as the appointed auditor it did not provide the name of the engagement lead, Pearl Tate. We noted that no requests were made to inspect the SESplan accounts.

Action Plan (Appendix 1, point 2).

# Part 2

## Financial management



### Main judgements

**SESplan has appropriate financial budgeting arrangements in place which provide timely and reliable information for monitoring financial performance.**

**SESplan uses the corporate financial systems of Fife Council for its operations. These systems are operating satisfactorily and no significant internal control weaknesses have been identified.**

### Financial management

- 27.** Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. It is SESplan's responsibility to ensure that its financial affairs are conducted in a proper manner.
- 28.** As auditors, we need to consider whether audited bodies have established adequate financial management arrangements. We do this by considering a number of factors, including whether:
- the Treasurer has sufficient status to be able to deliver good financial management
  - standing financial instructions and standing orders are comprehensive, current and promoted within SESplan
  - reports monitoring performance against budgets are accurate and provided regularly to budget holders.
- 29.** During the course of our audit, we confirmed that the financial management arrangements are appropriate for an organisation the size of SESplan. The Treasurer, as section 95 officer, is responsible for ensuring proper accounting records are kept. SESplan has adopted Fife Council's financial regulations, which we have assessed and found to be adequate and SESplan's biannual monitoring reports provide members with sufficient information about its financial performance.

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

### Financial performance in 2016/17

- 30.** The SESplan financial regulations require the operating budget for the next year to be agreed each December. The operating budget 2016/17 was approved by the Joint Committee in December 2015 and planned for net expenditure of £5,786.
- 31.** Actual performance for the year was an underspend against the 2016/17 operating budget of £61,652 as demonstrated in Exhibit 3 and resulted in an accounting surplus on the provision of services of £55,866. These

underspends were due to having a vacancy between the previous SDP Manager retiring and the Acting SDP Manager being appointed as well as achieving reduced IT and consultancy costs.

## Exhibit 3 Budget Summary

SESplan budget summary	Budget £	Actual £	Variance £
Net (Income)/Expenditure	5,786	(55,866)	(61,652)
Reserves (Note 1)	29,663	91,315	61,652

Source: SESplan Annual Accounts 2016/17

Note 1 – the budgeted reserve figure here is the opening position less the budgeted net expenditure (£35,449 - £5,786)

## Internal controls

- 32.** As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant for the production of the financial statements. Our objective is to gain assurance that SESplan has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.
- 33.** SESplan uses the corporate financial systems of Fife Council for its operations. As external auditors of the Council, we have reviewed these systems and have concluded that overall, the key financial systems are operating satisfactorily. No significant control weaknesses were identified which could affect SESplan's ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements.
- 34.** SESplan relies on an Annual Assurance Statement from the Audit and Risk Management Service of Fife Council to obtain assurance over the internal controls at Fife Council. This statement concluded that "*The system of corporate governance and internal control remain, in the main, robust, with improvements in a number of areas and action being taken to address areas of weakness*". We considered the impact of these weaknesses in relation to SESplan, identifying one area (access to the general ledger) that was relevant. This is covered in Appendix 2, point 3 and no issues were identified which would have impacted on SESplan.

## Prevention and detection of fraud

- 35.** We have responsibility for reviewing the arrangements put in place by management for the prevention and detection of fraud. We reviewed SESplan's arrangements including policies and codes of conduct for staff and elected members, whistleblowing, fraud prevention and fraud response plan.
- 36.** Based on the evidence reviewed by us, we concluded that SESplan has adequate arrangements in place for the prevention and detection of fraud although it should be noted that no system can eliminate the risk of fraud entirely.

# Part 3

## Financial sustainability



### Main judgements

**SESplan's financial position is sustainable in the foreseeable future. It has a sufficient level of reserves in place and there is a medium term financial plan which aligns to the objectives of a strategic development planning authority.**

### Financial planning

- 37.** It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to the organisation's strategies. Although members only approve the budget for a single year, this should be supported by indicative future spending plans (covering at least three years) that forecast the impact of relevant pressures.
- 38.** SESplan has a medium term financial plan in place (2017-20) aligned to the objectives of a strategic development authority, mainly the development of a strategic development plan for the area. The income from constituent members for each of the three years was set at £46,550. This level was agreed in principle when the 2017/18 budget was approved in December 2016 and reconsidered in March 2017, with member contributions being reduced to £44,000. The reduction of £15,300 is to be taken from reserves. The budget already included £21,974 to be taken from reserves therefore the overall reduction as part of the 2017/18 budget will be £37,275.

### Reserves

- 39.** One of the key measures of the financial health of an organisation is the level of reserves held. SESplan has both a usable and an unusable reserve, the latter reflects accumulated leave earned by staff but not taken before 31 March 2017.
- 40.** The usable reserve is the largest balance and there is no restriction on its use. Its main purpose is to provide a contingency fund to meet unexpected expenditure and to help cushion the impact of uneven cash flows. SESplan's approach is to hold £20,000 usable reserves sufficient to cover approximately one month's expenditure.
- 41.** As highlighted at paragraph 30 the 2016/17 budget anticipated using £5,786 however an underspend on expenditure in the year resulted in the reserves increasing from £42,675 to £92,515. This equates to almost five months expenditure. The increasing level of reserves had been raised by audit in 2015/16 and it was agreed at that point that the level held would be considered as part of the 2017/18 operating budget proposal. As highlighted at paragraph 38 this action has been implemented. We will continue to monitor the level of reserves going forward.

Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

# Part 4

## Governance and transparency



### Main Judgements

**SESplan has appropriate governance arrangements in place for an organisation of its size.**

**It is open and transparent in the way that it conducts its business, with the public able to attend meetings of the Joint Committee. Minutes and agenda papers are readily available on the website.**

### Governance arrangements

42. As part of the audit, we consider the effectiveness of the arrangements in place and whether in the auditor's judgement they support good governance and accountability.
43. Our work included reviewing the Standing Orders, Scheme of Delegation and risk management reporting. We confirmed that the governance arrangements in place for SESplan are appropriate and adequate for the size of the Authority.
44. We also considered the role and responsibility of SESplan's governing committee, (the Joint Committee), comprising of two members from each of the constituent authorities. The Joint Committee is responsible for oversight of the creation and review of the area's Strategic Development Plan, meeting not less than twice a year to discuss any matters. We considered the frequency of meetings, and quality of information provided to the Joint Committee to be sufficient.
45. Overall we have concluded that the governance arrangements in place are appropriate for an organisation the size of SESplan.

### Management commentary, annual governance statement and remuneration report

46. The Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 requires local government authorities to prepare and publish, along with their financial statements, an annual governance statement, management commentary and a remuneration report that are consistent with the disclosures made in the financial statements. The management commentary should be fair, balanced and understandable and also clearly address the longer-term financial sustainability of the body.
47. Based on our knowledge and work performed, we concluded that the management commentary, annual governance statement and remuneration report are consistent with the financial statements, and that disclosures were consistent with reporting requirements.

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

## Internal audit

48. Internal audit provides management and members with independent assurance on SESplan's overall risk management, internal control and corporate governance processes. The internal audit function is carried out by Fife Council's Audit and Risk Management Service (ARMS); and as highlighted at paragraph 34, SESplan has taken assurance from the internal audit work done on the Fife Council systems this year as there were no planned internal audit reviews for SESplan.
49. Specific internal audit work is scheduled to be undertaken by ARMS in 2017/18 and we will consider this work as part of our 2017/18 audit.

## Transparency

50. Transparency means that the public, in particular local residents have access to understandable, relevant and timely information about how SESplan is taking decisions and how it is using resources such as money, people and assets.
51. There is evidence from its website which demonstrate SESplan's commitment to transparency. Members of the public can attend meetings of the Joint Committee and minutes of these meetings and supporting papers are readily available on the website.
52. SESplan makes both its unaudited and audited annual accounts available on its website. These include a management commentary which provides details of performance against budget, information on the use of reserves and risks and uncertainties faced.
53. Overall, we concluded that SESplan conducts its business in an open and transparent manner

# Part 5

## Value for money



### Main judgements

**An annual performance report showing progress against key objectives along with actions required in the next year is considered by the Joint Committee. This enables members to monitor performance and hold officers to account on key delivery targets.**

### Overview of performance targets

- 54. The Joint Committee receives an annual report in June each year relating to SESplan's performance against the Planning Performance Framework. This report covers the previous year, and sets targets for the current year enabling members to monitor performance and hold officers to account on key delivery targets.
- 55. In 2016/17, the key objective for SESplan was the production of a Strategic Development Plan 2 for consultation in June 2016. The performance report highlighted that there had been above average engagement with the public achieved through the consultation process. SESplan's Joint Committee approved the Strategic Development Plan 2 for submission for Examination to the Scottish Government in June 2017.
- 56. In addition, SESplan has committed to supporting the Scottish Government's Planning Review, which has set out the abolishment of Strategic Development Planning Authorities (SDPAs), which will be replaced by Regional Working Partnerships. In order to achieve this transition, SESplan will work with the Scottish Government and other SDPAs to develop the roles and remit of the Regional Working Partnerships.

### National performance audit reports

- 57. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2016/17, a number of reports were issued which are of direct interest to SESplan. These are outlined in [Appendix 3](#).

# Appendix 1

## Action plan 2016/17

### 2016/17 recommendations for improvement

Page no.	 <b>Issue/risk</b>	 <b>Recommendation</b>	 <b>Agreed management action/timing</b>
9	<p><b>1. Remuneration Report</b></p> <p>The SDPA Manager post-holder changed during the year and the remuneration report reflects the amounts actually paid to these individuals rather than the amounts earned (it ignores year end pay accruals). This resulted in an overstatement of senior employee salaries of £822 (2.4%)</p> <p><b>Risk</b></p> <p>The Authority's remuneration report does not accurately reflect the payments earned by officers.</p>	<p>Whilst we accept that the overall error was not material the Authority should ensure that the remuneration report complies with the regulations and includes amounts earned in the year and not just the payments made.</p>	<p>Regulations will be reviewed and remuneration report updated accordingly.</p> <p><b>Finance Operations Manager.</b></p> <p><b>31 March 2018.</b></p>
10	<p><b>2. Advertising accounts</b></p> <p>Although the accounts were available for review in accordance with the regulations they were only advertised as publically available for 13 working days. The advert should also include details of the auditor and whilst the website identified Audit Scotland as the appointed auditor it did not provide the name of the engagement lead, Pearl Tate.</p> <p><b>Risk</b></p> <p>The Authority does not fully comply with the statutory requirement period for advertising the accounts for public inspection</p>	<p>The unaudited accounts should be made publicly available for 15 working days and the name of the engagement lead should be included in the advert.</p>	<p>Process for the advertisement will be reviewed and included in Year End Timetable to ensure guidance complied with. Sesplan will ensure clear link on Sesplan website.</p> <p><b>Finance Operations Manager &amp; Acting Strategic Development Plan Manager.</b></p> <p><b>31 March 2018</b></p>

# Appendix 2

## Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our opinion on the financial statements.

Audit risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>		
<p><b>1 Risk of management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls in order to change the position disclosed in the financial statements.</p>	<ul style="list-style-type: none"> <li>Detailed testing of journal entries.</li> <li>Review of accounting estimates.</li> <li>Focused testing of accruals and prepayments.</li> <li>Evaluation of significant transactions that are outside the normal course of business.</li> </ul>	<p><b>Results</b> – Our work on journals, accounting estimates, accruals, prepayments and significant transactions did not identify any indication of management override.</p> <p><b>Conclusion</b> – No issues were identified that indicate a management override of control.</p>
<p><b>2 Changes to key personnel and accounting requirements</b></p> <p>There have been a number of changes to key personnel during the year. This includes the retirement of the Manager (post vacant as at February 2017) and the accountant previously responsible for preparing the financial statements.</p> <p>As it will be new staff involved in the accounts process this year there is a risk that there will be omissions or errors which could impact on the completeness and accuracy of the financial statements.</p>	<ul style="list-style-type: none"> <li>Ongoing communication with finance staff to ensure they are aware of changes impacting on the 2016/17 accounts.</li> <li>Review of disclosure checklists.</li> <li>Review of account closedown procedures</li> <li>Detailed testing of transactions and year end balances above performance materiality.</li> </ul>	<p><b>Results</b> – We remained in contact with those responsible for preparation of the financial statements to ensure that changes to the accounts were known. In addition, there were no issues identified through review of the disclosure checklist or Fife Council's closedown procedures. There were no issues relating to detailed testing of transactions and year end balances.</p> <p><b>Conclusion</b> – The changes to key personnel and accounting requirements have not impacted on the production of the audited annual accounts.</p>
<b>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</b>		
<p><b>3 User Access to Finance Systems</b></p> <p>The finance systems (Oracle ERP) used by SESplan are provided by Fife Council.</p> <p>The council's external auditor has highlighted a lack of regular user access review and scrutiny</p>	<ul style="list-style-type: none"> <li>Detailed testing of transactions and balances above performance materiality</li> </ul>	<p><b>Results</b> – We undertook detailed testing of transactions and balances and did not identify any issues relating to user actions.</p> <p><b>Conclusion</b> – No issues were identified that suggest that unauthorised transactions were processed.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>of user actions resulting in a risk of unauthorised transactions being processed. This is also a risk for SESplan.</p>		

# Appendix 3

## Summary of national performance reports 2016/17



Apr			
May		Common Agricultural Policy Futures programme: an update	
Jun		South Ayrshire Council: Best Value audit report	 The National Fraud Initiative in Scotland
Jul		Audit of higher education in Scottish universities	 Supporting Scotland's economic growth
Aug		Maintaining Scotland's roads: a follow-up report	 Superfast broadband for Scotland: a progress update
			 Scotland's colleges 2016
Sept		Social work in Scotland	 Scotland's new financial powers
Oct		Angus Council: Best Value audit report	 NHS in Scotland 2016
Nov		How councils work – Roles and working relationships in councils	 Local government in Scotland: Financial overview 2015/16
Dec		Falkirk Council: Best Value audit report	 East Dunbartonshire Council: Best Value audit report
Jan			
Feb		Scotland's NHS workforce	
Mar		Local government in Scotland: Performance and challenges 2017	 i6: a review
			 Managing new financial powers: an update

### Local government relevant reports

Local Government in Scotland: Financial overview 2015/16 – November 2016

Local Government in Scotland: Performance and challenges 2017 – March 2017

# SESplan

## 2016/17 Annual Audit Report

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The Strategic Development Planning Authority  
for Edinburgh and South East Scotland

SESPAN JOINT COMMITTEE  
27 NOVEMBER 2017

FOR DECISION

## ITEM 10 – APPOINTMENT OF CONVENER AND VICE CONVENER

Report by: Alice Miles, Acting SDP Manager

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### Purpose

This Report sets out a proposal for the appointment of the Convener and Vice Convener of the SESplan Joint Committee over the two year period from 1 January 2018 to 31 December 2019 for agreement.

### Recommendations

It is recommended that the SESplan Joint Committee:

1. Agree the appointment of Councillor J Beare from Fife Council as Convener and Councillor R Imrie from Midlothian Council as Vice Convener of the SESplan Joint Committee for the period 1 January 2018 to 31 December 2019.

### Resource Implications

As set out below.

### Legal and Risk Implications

As set out below.

### Policy and Impact Assessment

No separate impact assessment is required.

## 1. The SESplan Joint Committee

- 1.1 Circular 2/2008 sets out the Scottish Government's statutory guidance for Strategic Development Planning Authorities (SDPA).

- 1.2 The Circular identifies the need to establish a joint committee of members and a dedicated team of officers. The SESplan Joint Committee was formally established in November 2008 following the agreement of the SESplan Constitution, Scheme of Delegation and Financial Rules.
- 1.3 At its meeting on the 18 November 2013, the SESplan Joint Committee agreed that the post of Convener and Vice Convener would be rotated every two years (1 January to 31 December).
- 1.4 Paragraph 5.4 of the SESplan Constitution sets out that the rotation of Convenership and Vice Convenership shall be alphabetical by Council, unless otherwise determined by Joint Committee. It was agreed at the inception of SESplan that rotation would be alphabetical excepting Scottish Borders and East Lothian Councils, where Scottish Borders, not East Lothian, would follow the City of Edinburgh and East Lothian, not Scottish Borders, would follow Midlothian. This decision reflected particular resource constraints at that time. The rotation of the Joint Committee Convenership and Vice Convenership has been on this basis since 2008.
- 1.5 On the 1 January 2016, Scottish Borders Council took office as Joint Committee Convener with Fife taking office as Vice Convener for a two year period (to 31 December 2017).
- 1.6 On this basis Fife Council will assume the role of Convener from the 1 January 2018 with Midlothian Council to assume the office of Vice Convener. Councillor J Beare of Fife Council has been nominated for the role of Convener, with Councillor R Imrie of Midlothian Council nominated for the role of Vice Convener.
- 1.7 The rotation of Joint Committee Convener and Vice Convener is set out in Table 1 below.

<b>Period</b>	<b>Convener</b>	<b>Vice Convener</b>
1 January 2018 – 31 December 2019	Fife Council	Midlothian Council
1 January 2020 – 31 December 2021	Midlothian Council	East Lothian Council
1 January 2022 – 31 December 2023	East Lothian Council	West Lothian Council

## **2. Conclusion**

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- 2.1 The operation of the SDPA and the Joint Committee will be kept under review following the Planning Review and the repurposing of SDPAs and the creation of regional working partnerships.

### **Report Contact**

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