

## Notice of Meeting and Agenda

### Glasgow & the Clyde Valley Strategic Development Planning Authority Joint Committee

Date	Time	Venue
Monday, 11 September 2017	11:15	Glasgow City Council, Ground Floor, Exchange House, 231 George Street, Glasgow, G1 1RX,

KENNETH GRAHAM  
Head of Corporate Governance

### Membership

Councillors Johnston and Moir (East Dunbartonshire Council); Lafferty and Miller (East Renfrewshire Council); Elder and MacLean (Glasgow City Council); Clocherty and Wilson (Inverclyde Council); Curran and Magowan (North Lanarkshire Council); Begg and McGurk (Renfrewshire Council); Anderson and Fulton (South Lanarkshire Council); and McColl and O'Neill (West Dunbartonshire Council).

Councillor O'Neill (Convener); Councillor Wilson (Vice-Convener).

### Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at [www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx](http://www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx)

For further information, please either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7112.

## Items of business

### Apologies

Apologies from members.

### Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- |          |   |                  |
|----------|---|------------------|
| <b>1</b> | <b>Minute</b>   | <b>3 - 6</b>     |
|          | Minute of the Joint Committee meeting held on 12 June 2017.                                       |                  |
| <b>2</b> | <b>SDP2</b>   | <b>7 - 14</b>    |
|          | Report by the Strategic Development Plan Manager.   |                  |
| <b>3</b> | <b>Strategic Development Plan 3</b>   | <b>15 - 18</b>   |
|          | Report by the Strategic Development Plan Manager.   |                  |
| <b>4</b> | <b>Annual Audit Report 2016/17</b>  | <b>19 - 54</b>   |
|          | Report by Audit Scotland.   |                  |
| <b>5</b> | <b>Audited Annual Accounts 2016/17</b>  | <b>55 - 92</b>   |
|          | Joint report by the Treasurer and the Strategic Development Plan Manager.                         |                  |
| <b>6</b> | <b>Revenue Budget Monitoring Report</b>   | <b>93 - 96</b>   |
|          | Joint report by the Treasurer and the Strategic Development Plan Manager.                         |                  |
| <b>7</b> | <b>Corporate Purchasing Card Expenditure</b>  | <b>97 - 100</b>  |
|          | Joint report by the Treasurer and the Strategic Development Plan Manager.                         |                  |
| <b>8</b> | <b>The Review of Standing Orders Relating to Contracts</b>  | <b>101 - 140</b> |
|          | Report by the Clerk.  |                  |
| <b>9</b> | <b>Date of Next Meeting</b>   |                  |
|          | The next meeting of the Joint Committee is scheduled to be held on 11 December 2017 at 11.15 a.m. |                  |

## Minute of Meeting

### Glasgow & the Clyde Valley Strategic Development Planning Authority Joint Committee

Date	Time	Venue
Monday, 12 June 2017	11:15	Glasgow City Council, Ground Floor, Exchange House, 231 George Street, Glasgow, G1 1RX,

#### Present

Councillors Johnston and Moir (East Dunbartonshire Council); Councillor Lafferty (East Renfrewshire Council); Councillor Clocherty (Inverclyde Council); Councillor Curran (North Lanarkshire Council); Councillors Begg and McGurk (Renfrewshire Council); Councillor Anderson (South Lanarkshire Council); Councillor O'Neill (West Dunbartonshire Council); and Councillor Wilson (Inverclyde Council).

#### In Attendance

D McDonald, Assistant Strategic Development Plan Manager and S Tait, Strategic Development Plan Manager (both Strategic Development Plan Core Team); R Greenwood, Principal Planning Officer (East Renfrewshire Council); N Urquhart, Team Leader Sustainability Policy (East Dunbartonshire Council); F Barron, Head of Planning & Building Control (Glasgow City Council); S Jamieson, Head of Economic and Social Regeneration (Inverclyde Council); L Bowden, Business Manager (Strategic Planning) (North Lanarkshire Council); F Carlin, Head of Planning and Housing Services, M Ball, Accountant, K Campbell, Assistant Chief Auditor, E Currie, Senior Committee Services Officer and D Lowe, Senior Committee Services Officer (all Renfrewshire Council); G Cameron, Planning and Building Standards Manager HQ (South Lanarkshire Council); P Clifford, Planning and Building Standards Manager (South Lanarkshire Council); and M Ferris, Senior Audit Manager (Audit Scotland).

#### Apologies

Councillor Miller (East Renfrewshire Council); Councillor Elder (Glasgow City Council); Councillor Magowan (North Lanarkshire Council); and Councillor Fulton (South Lanarkshire Council).

#### Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

## **Opening Remarks**

Ms E Currie, Senior Committee Services Officer, Renfrewshire Council, representing the Clerk, welcomed those present to the meeting and indicated that she would preside prior to the election of the Convener.

### **1 Appointment of Convener**

The Clerk asked for nominations for the post of Convener of the Joint Committee.

Councillor Moir, seconded by Councillor Wilson, moved that Councillor O'Neill be appointed as Convener of the Joint Committee.

There being no further nominations it was agreed that Councillor O'Neill be appointed as Convener of the Joint Committee.

**DECIDED:** That Councillor O'Neill be appointed as Convener of the Joint Committee.

Councillor O'Neill thereafter took the chair.

### **2 Appointment of Vice-Convener**

The Convener invited nominations for the post of Vice-Convener of the Joint Committee.

Councillor Wilson nominated himself as Vice-Convener of the Joint Committee.

There being no further nominations, it was agreed that Councillor Wilson be appointed as Vice-Convener of the Joint Committee.

**DECIDED:** That Councillor Wilson be appointed as Vice-Convener of the Joint Committee.

### **3 Membership of the Joint Committee**

There was submitted a report by the Clerk to the Joint Committee detailing the appointment of members to the Joint Committee by the constituent member councils.

**DECIDED:** That the appointment of members to the Joint Committee by the constituent member councils, as detailed in the report, be noted.

### **4 Minute**

There was submitted the Minute of the meeting of the Joint Committee held on 13 March 2017.

**DECIDED:** That the Minute be approved.

## **Sederunt**

Councillor Begg entered the meeting during consideration of the following item.

## **5 Strategic Planning in a City Region Context**

The Strategic Development Plan Manager gave a presentation on strategic planning in a city region context. The presentation provided an overview of strategic planning in Scotland, the specifics of the Clydeplan model, details regarding regional partnership working, the current Strategic Development Plan and the Scottish Government Review of the Scottish Planning System.

The Strategic Development Plan Manager highlighted that there had been a delay in the approval of the Strategic Development Plan and that a letter had been previously issued to the Chief Planner expressing disappointment in regard to the delay. Should the approval not be forthcoming, it was agreed that following discussion with the Convener and the Vice-Convener that a further letter be sent to the Chief Planner re-iterating the Joint Committee's disappointment in the delay.

### **DECIDED:**

(a) That the presentation be noted; and

(b) That it be agreed that should the approval not be forthcoming, that following discussion with the Convener and the Vice-Convener, a further letter be sent to the Chief Planner re-iterating the Joint Committee's disappointment in the delay.

## **6 Internal Audit Annual Report 2016/17**

There was submitted a report by the Chief Auditor relative to the internal audit annual report 2016/17.

The report intimated that the internal audit annual report 2016/17 for the Glasgow and the Clyde Strategic Development Planning Authority outlined the role of Internal Audit, the performance of the Internal Audit Team, the main findings from the internal audit work undertaken in 2016/17 and contained an audit assurance statement. A copy of the annual report was appended to the report.

**DECIDED:** That the content of the Annual Report be noted.

## **7 Unaudited Annual Accounts 2016/17**

There was submitted a report by the Treasurer relative to the Annual Accounts for 2016/17.

The report noted that the Accounts in respect of the year ended 31 March 2017 had been completed and forwarded to Audit Scotland for audit. The Accounts highlighted a surplus for the year of £29,754 against a budgeted breakeven position. Further comments in relation to the Accounts were detailed in pages 4 to 6 of the Annual Financial Statements 2016/17 document, a copy of which was appended to the report. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the Unaudited Accounts had only been signed by the Treasurer as proper officer. In accordance with the guidelines, the Audited Accounts would be signed by the Convener, the Strategic Development Plan Manager and the Treasurer.

**DECIDED:**

- (a) That the Accounts be noted; and
- (b) That it be noted that upon completion of the audit, the Audited Accounts would be presented to a future meeting of the Joint Committee.

**8 Timetable of Meetings**

There was submitted a report by the Clerk relative to the setting of dates for meetings of the Joint Committee for 2017 to 2022.

**DECIDED:**

- (a) That the timetable of meetings be approved;
- (b) That the venue for the meetings be a central Glasgow location to be agreed in consultation with the Convener and the Strategic Development Plan Manager; and
- (c) That any necessary changes be agreed in consultation with the Convener and the Strategic Development Plan Manager and be notified to members as soon as possible.

## **Glasgow and the Clyde Valley Strategic Development Planning Authority**

**To: Glasgow and the Clyde Valley Strategic Development Planning Authority  
Joint Committee**

**On: 11<sup>th</sup> September 2017**

**Report by  
Stuart Tait, Manager**

### **SDP2 Approval**

#### **1. Summary**

- 1.1 The purpose of this report is to update the Joint Committee on matters relating to the approval of the second Strategic Development Plan (SDP2).

#### **2. Recommendation**

- 2.1 It is recommended that the Joint Committee
- notes and welcomes the approval of SDP2 by Scottish Ministers;
  - notes the requirements post approval in terms of the publication and advertisement of SDP2 and the SEA post adoption statement; and,
  - notes the timeline for the submission of the Action Programme and agrees that the SDP Manager seeks the agreement of the Joint Committee Convenor and Clydeplan Steering Group Chair prior to submission of the Action Programme.

#### **3. SDP2**

- 3.1 SDP2 was submitted to Scottish Ministers on 26<sup>th</sup> May 2016. A formal examination process commenced on 14<sup>th</sup> July 2016 which included a public hearing session on housing related matters which was held in Renfrew on 14<sup>th</sup> December 2016. The Reporters' Report of Examination was submitted to Scottish Ministers on 20<sup>th</sup> March 2017.
- 3.2 The SDP became older than 5 years on 29<sup>th</sup> May 2017 and on 24<sup>th</sup> July 2017 the Scottish Ministers approved SDP2 subject to a number of modifications.

#### **4. Scottish Ministers Approval**

- 4.1 In approving the SDP the Scottish Ministers have made a number of modifications to the SDP as submitted by Clydeplan most notably relating to housing, where an additional 5% has been added to the level of generosity, and forestry and woodland to reflect the Scottish Government's new ambitions for woodland planting.
- 4.2 In addition Scottish Ministers are seeking the preparation of three pieces of supplementary guidance relating to strategic heat infrastructure, aggregates and forestry and woodland, with the Forestry and Woodland Strategy supplementary guidance to be submitted to Scottish Ministers by 24<sup>th</sup> July 2018.

- 4.3 The Scottish Ministers have also included a modification in relation to the network of strategic centres seeking an early review of the network which will include consideration of the status of the centres within the network and an analysis of the potential impact on town centres of expanding Braehead. The early review reflects the existing commitment in the SDP Action Programme. The modification has low impact as this has already been considered as part of Policy 4 of the SDP and through the assessment of development proposals process.

## **5. Next Stages**

- 5.1 In accordance with the necessary statutory requirements. Clydeplan are required “*as soon as practically possible*” to
- publish SDP2 (including electronically);
  - send two copies of the SDP2 to Scottish Ministers;
  - place copies of the SDP2 in local libraries;
  - advertise in a local newspaper (The Herald); and,
  - notify those people who made representations to SDP2 that it has been published and where it is available for inspection.
- 5.2 In addition, also as soon as reasonably practicable after the approval of SDP2 , a Strategic Environmental Assessment (SEA) post adoption statement should be published with copies placed in the Clydeplan office and an advert placed in a local newspaper (The Herald). Also Clydeplan are to inform the SEA consultation authorities of the adoption of the SDP and send them a copy along with a copy of the post adoption statement.
- 5.3 It would be the intention to publish and advertise the post adoption statement and the Plan together on Friday 15<sup>th</sup> September 2017.

## **6. Action Programme**

- 6.1 The Action Programme accompanying SDP2 requires to be adopted within three months of SDP2 being approved (24<sup>th</sup> October 2017) and thereafter to be kept under review and updated and republished at least every two years. Whenever an Action Programme is published two copies are to be sent to Scottish Ministers, published electronically and copies placed in local libraries. Given that this deadline falls between Joint Committee meetings, it is proposed that the SDP Manager seeks the agreement of the Joint Committee Convenor and Clydeplan Steering Group Chair prior to submission of the Action Programme.
- 6.2 Under the current regulations the third SDP will require to be submitted no later than four years from the date of approval of SDP2 which would be 24<sup>th</sup> July 2021.



- 6.3 Until such times as the new Planning Bill comes into effect and acknowledging the direction set out in the Scottish Government's Position Statement (June 2017), the intention is to progress with a work programme to support the preparation of the third SDP, recognising the opportunity to support and align this with the emerging work streams of the Glasgow City Region and its Economic Strategy and related Action Plan.
- 6.4 Clydeplan's response to the Scottish Government's Position Statement is set out in the Appendix. Given the deadline for the response the submission was agreed by the Convenor and Chair of the Steering Group.



## **Appendix**

### **Clydeplan Response to the Scottish Government's Position Statement - submitted 10<sup>th</sup> August 2017**

Firstly, Clydeplan reiterates the comments it in submission, dated 29<sup>th</sup> March 2017, on the proposals to change the planning system in Scotland.

Clydeplan remains extremely disappointed that a clear rationale for removing Strategic Development Plans, and Strategic Development Planning Authorities, from the planning system has still not been properly set out. Consequently, it remains unclear that the system as currently proposed will address the perceived potential weaknesses of the current system as expressed by the independent panel particularly in relation to the Scottish Government's approach to housing.

Taking account of the terms of the consultation on the Scottish Government's Position Statement, there are a number of matters Clydeplan would wish to highlight before the new Planning Bill is published in December 2017.

#### **1. Recognise Glasgow City regions role in Scotland's economy**

Glasgow city region is Scotland's only metropolitan city region accounts for more than a third of Scotland's GVA and population and as such the role of strategic planning is considered vitally important to ensure it maximises its economic, environmental and social potential not only for the city region but also for the wider benefit of Scotland. It also has a long standing history in strategic planning going back over 70 years. Consequently it is considered that the approach to Glasgow city region and the importance of regional planning in this area should be supported and reflected in the Planning Bill and its associated supporting documentation to ensure continued momentum.

#### **2. Clearly define duties powers and outputs for regional partnerships**

From Clydeplan's experience, collaborative regional partnerships require clarity around their purpose, roles and responsibilities, governance, accountability and funding. Therefore, it is considered necessary to set out in statute clearly defined duties, powers and outputs for regional partnerships. Whilst in some areas including the Glasgow city region where the commitment to voluntary joint working is ongoing and well established e.g. Glasgow City Region Cabinet, Glasgow and Clyde Valley Green Network Partnership, Metropolitan Glasgow Strategic Drainage Partnership, Climate Ready Clyde there is potentially a risk that a reliance upon voluntary regional partnership working will not secure the commitment and outputs required to support the aspirations of the new Scottish planning system. For maximum effectiveness national agencies should be statutorily required to contribute to regional partnership working.

### **3. Clearly specify the role of regional partnership activity within the planning system**

Unless the role and remit of regional partnerships is clearly defined in respect of the development planning system (particularly in respect of the housing numbers) and development management, then the objective of reducing “overlap and complexity in the system of development plans may not be achieved.

The Positions Statement says that “Although they [regional spatial strategies] would not form a statutory development plan, they could contribute to the evidence base for the National Planning Framework”, and it is not clear in practice how that distinction will work and therefore clarity is required.

### **4. Clarify matters relating to how regional partnerships will function**

To ensure effective implementation of regional partnerships in the new planning system, clarity is required on the following matters:

- the Position Statement notes that there will be joint working processes between the regional partnerships and Scottish Government which will provide an evidence base for regional priorities in the National Planning Framework - detail is required on how this relationship will work;
- detail is required on the geographical coverage of regional partnerships - to be effective these should be designated fixed boundaries. In the Glasgow city region context partnership working arrangements will continue to be based on the geography of its the eight local authorities;
- there should be commitment that the Scottish Government and their agencies will align their policies, budgets and programmes to support the delivery of regional priorities set out in the National Planning Framework;
- detail is required on financial support for the new regional partnerships;
- transitional arrangements should be clearly set out for existing strategic development planning areas in respect of:
  - a. The transition from identifying regional priorities in a strategic development plan to identifying regional priorities in National Planning Framework;
  - b. Strategic development planning authorities have formal Joint Committee arrangements, in transitioning to regional partnerships the governance arrangements should be clearly set out.

### **5. Prioritise revision of Scottish Planning Policy and National Planning Framework**

There is the need to prioritise the revision of both Scottish Planning Policy and National Planning Framework to support and shape the work programmes of the regional partnerships. This will include the development of regional spatial strategies and identifying regional priorities for National Planning Framework, including the scale of housing need and demand.

**6. Preserve strategic planning expertise**

Finally, the loss of expertise in strategic planning across Scotland has been raised as a growing concern during this consultation process. An early conclusion to the review process is considered essential to ensure there is no further erosion of this expertise which is it is considered will be valuable in supporting the new regional partnerships and the co-production required for any new National Planning Framework.

Clydeplan would wish to reiterate its ongoing commitment to joint working with the Scottish Government as the new planning system comes into effect and would welcome the opportunity to discuss this with its planning officials.



## **Glasgow and the Clyde Valley Strategic Development Planning Authority**

**To: Glasgow and the Clyde Valley Strategic Development Planning Authority  
Joint Committee**

**On: 11<sup>th</sup> September 2017**

**Report by  
Stuart Tait, Manager**

### **Strategic Development Plan 3**

#### **1. Summary**

- 1.1 The purpose of this report is to update the Joint Committee on matters relating to the preparation of Strategic Development Plan 3 (SDP3).

#### **2. Recommendation**

- 2.1 It is recommended that the Joint Committee
- agree that work commences in respect of the development of SDP3;
  - note the intention to work closely with the Glasgow city region in the development of the SDP3 work streams to ensure that they align and support the Glasgow City Region portfolios;
  - agree not to trigger the break option in the lease of the 125 West Regent Street.

#### **3. Context**

- 3.1 Recognising the Glasgow city region's importance as Scotland's only metropolitan city region, the Clydeplan local authorities have a longstanding tradition of successful joint strategic planning, most recently in the development of SDP2.
- 3.2 Under the existing legislation SDP3 is required to be submitted to Scottish Ministers no later than four years after approval of SDP2 in this case 24<sup>th</sup> July 2021.
- 3.3 The Scottish Government's planning review Position Statement published in June of this year, continues to seek to remove the current requirements to prepare SDPs. However, it is recognised that local authorities will still be free to work together to prepare spatial strategies for their areas to support city region partnership working. Such documents would not form part of the statutory development plan but could contribute to the evidence base and priorities for future National Planning Frameworks, most notably National Planning Framework 4 (NPF4) which is due for adoption in 2020.
- 3.4 Notwithstanding the above, at this point in time there remains a statutory requirement for the Joint Committee to produce SDP3.
- 3.5 In the context of the Glasgow city region, the development of SDP3 as the land use expression of the recently published Glasgow City Region Economic Strategy (December 2016) and Action Plan (February 2017) is considered important.

#### **4. SDP3**

- 4.1 The success of the Glasgow city region is integral to the success of not only Scotland but importantly to each of its constituent communities as this affects the choices of where people invest, live, work and play.
- 4.2 Whilst it clear that the Scottish Government wishes to remove the statutory requirement to prepare a SDP along with its related formal consultation, examination and approval processes, they recognise that local authorities would still be free to work together to prepare spatial strategies for their areas in support of wider regional partnership working.
- 4.3 However, given that any future regional spatial strategy could contribute to the evidence base for future NPFs, what is less clear are the topic areas that the Scottish Government expect such spatial strategies to cover in support of NPF.
- 4.4 In the Glasgow city region context it is considered SDP3 would:
  - be the land use expression of the Glasgow City Region Economic Strategy and Action Plan;
  - be the evidence base for setting regional priorities as part of an enhanced NPF;
  - address policy themes and issues that are cross boundary such as planning for housing within the city regions Housing Market Areas;
  - carry influence and weight setting the context for local planning bringing added value to the respective Local Development Plans; and,
  - continue to receive the collective support and agreement of the constituent local authorities.
- 4.5 In this context Clydeplan should commence the work streams towards the production of SDP3 whilst recognising that over time this could support the development of a regional spatial strategy for the city region should the requirements of the new planning system change.
- 4.6 These work streams should continue to support the city regions ambitions for population, household and economic growth aligned to a spatial development strategy which supports the principle of a compact city model aligned to the identification of regional spatial priorities. This would focus on key principals which support:
  - sustainable and inclusive economic growth;
  - regeneration and renewal;
  - minimising carbon and development footprints;
  - sustainable transport;
  - improved environmental quality; and,
  - climate change adaptation and mitigation.



4.7 The main work streams, over and above the Scottish Minister's SDP2 requirements for supplementary guidance, would include the following:

- all tenure housing land requirements by Housing Market Area and Local Authority - supported by a joint Housing Need and Demand Assessment;
- economic locations including freight hubs - reviewing role and function and identifying infrastructure constraints/opportunities;
- centres - reviewing existing role and function and identifying infrastructure constraints/opportunities,
- transport infrastructure - joint transport study with Transport Scotland and SPT to identify network infrastructure requirements;
- sustainable transport - opportunities to develop the city region's walking and cycling network;
- green network - identifying the spatial priorities for delivery of the Glasgow and the Clyde Valley Green Network;
- City Deal - updating contribution of current projects and identification of potential future projects;
- climate change - capturing the spatial priorities from the Climate Ready Clyde Adaptation Strategy and Action Plan; and,
- low carbon energy - identifying heat infrastructure opportunities.

4.8 The development of these work streams will involve liaison and co-ordination with the emerging work streams of the Glasgow City Region portfolios as well as existing stakeholder partners such as the Key Agencies.

4.9 Additional joint working with the Scottish Government will be required in relation to defining regional priorities for NPF4. The Scottish Government are keen for this process to be undertaken on the basis of co-production, however how this is to be achieved in practice remains unclear at this stage.

## **5. Indicative timescales**

5.1 Whilst it is recognised that the uncertainty caused by the ongoing planning review has not been helpful, it is important to retain the local authorities and wider stakeholders' commitment to joint working which was successfully developed as part of SDP2.

5.2 In this context the intention is to take forward a work programme progressing within the timeframe set for SDP3 which will require undertaking technical work in the period autumn 2017 to winter 2019. This aligns with the Scottish Government's revised NPF4 timescale with preparatory work commencing in 2018 for adoption in 2020.

## **6. Office accommodation**

6.1 At its meeting on 12<sup>th</sup> September 2016, the Joint Committee agreed to extend the lease on the office accommodation at 125 West Regent Street, Glasgow for a period of 3 years with a break option at the end of Year 1 (26<sup>th</sup> October 2017).

6.2 Since then the SDP Manager and the Senior Asset and Estates Surveyor at Renfrewshire Council have been in regular contact with the Scottish Futures Trust to consider relocation options within the public sector estate with the most likely option resulting from Transport Scotland's ongoing rationalisation of space at Buchanan House. However, at present it looks increasingly as though

an option at Buchanan House will not become available for Clydeplan to consider until summer 2018 at the earliest.

- 6.3 With the Planning Bill due to be published at the end of 2017, Parliament approval expected 6 months later, and the lead in time for its formal introduction and publication of secondary legislation possibly taking a further 12/18 months, it is considered that the continuation of the lease of 125 West Regent Street until October 2019, to be the most suitable and cost effective arrangement and that the current lease be continued to run without invoking the break out clause.
- 6.4 This would also support Clydeplan's role in its work with the Glasgow City Region portfolios and Intelligence Hub as well as the intention to continue with the preparation of a regional spatial strategy in support of the city region's Economic Strategy.
- 6.4 This timescale will also allow the Scottish Futures Trust to factor in Clydeplan's requirements as they currently develop options for the Scottish Government estate, particularly Buchanan House, for the financial year 2018/19 onwards.

**GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING  
AUTHORITY JOINT COMMITTEE**

**To:** Joint Committee

**On:** 11 September 2017

---

**Report by:** Audit Scotland

---

**Heading:** Annual Audit Report 2016-17

---

**1. Summary**

- 1.1 At the meeting of the Joint Committee on 12 June 2017 a report on the unaudited accounts for the year ended 31 March was noted.
  - 1.2 The audit certificate issued by Audit Scotland provides an unqualified opinion that the annual accounts presents a true and fair view of the financial position of the Joint Committee as at 31 March 2017, in accordance with the accounting policies detailed in the accounts.
  - 1.3 A member of the Audit Scotland team will present this report and answer any questions.
- 

**2 Recommendations**

- 2.1 It is recommended that members note the report by Audit Scotland.
-



4th Floor  
102 West Port  
Edinburgh EH3 9DN

4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

1st Floor, Room F03  
The Green House  
Beechwood Business Park North  
Inverness  
IV2 3BL

T: 0131 625 1500  
E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



Clydeplan  
Lower Ground Floor  
125 West Regent Street  
Glasgow  
G2 2SA

11 September 2017

## Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee (Clydeplan) 2016/17 Annual Audit Report

1. International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires auditors to report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We are drawing to your attention matters for your consideration before the financial statements are approved and certified. We also present for your consideration our draft annual report on the 2016/17 audit which identifies significant findings from the financial statements audit. The section headed "Significant findings from the audit in accordance with ISA 260" in the attached annual audit report sets out the issues identified. This report will be issued in final form after the financial statements have been certified.
2. Our work on the financial statements is now substantially complete. Subject to the satisfactory conclusion of any outstanding matters and receipt of a revised set of financial statements for final review, we anticipate being able to issue an unqualified auditor's report on 11 September 2017 (the proposed report is attached at [Appendix A](#)). There are no anticipated modifications to the audit report.
3. In presenting this report to the Joint Committee we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.
4. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature and request that these misstatements be corrected. We have no unadjusted misstatements to bring to your attention.
5. As part of the completion of our audit we seek written assurances from the Treasurer on aspects of the financial statements and judgements and estimates made. A draft letter of representation

under ISA580 is attached at [Appendix B](#). This should be signed and returned by the Treasurer with the signed financial statements prior to the independent auditor's opinion being certified.

## APPENDIX A: Proposed Independent Auditor's Report

### Independent auditor's report to the members of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee 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 Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Expenditure Funding Analysis, 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 deficit 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.



Mark Ferris

Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

11 September 2017



## APPENDIX B: Letter of Representation (ISA 580)

Mark Ferris  
Senior Audit Manager  
Audit Scotland  
4th Floor  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

Dear Mark

### **Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee Annual Accounts 2016/17**

1. This representation letter is provided in connection with your audit of the financial statements of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee, as at 31 March 2017 and its comprehensive net expenditure for the year then ended.
2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the Joint Committee, the following representations given to you in connection with your audit of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee for the year ended 31 March 2017.

### **General**

3. I acknowledge my responsibility and that of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee for the financial statements. All the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee have been properly reflected in the financial statements. All other records and information have been made available to you, including minutes of all management and other meetings.
4. The information given in the Annual Report to the financial statements, including the Management Commentary, Governance Statement and Remuneration Report, presents a balanced picture of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee and is consistent with the financial statements.
5. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those identified in the auditor's report to those charged with governance (ISA260).

## **Financial Reporting Framework**

6. The financial statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, and in accordance with the requirements of Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014, the Local Government in Scotland Act 2003 and directions made thereunder by the Scottish Ministers including all relevant presentation and disclosure requirements.
7. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and state of affairs of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee for the year ended 31 March 2017.

## **Accounting Policies & Estimates**

8. All material accounting policies adopted are as shown in the Summary of Significant Accounting Policies included in the financial statements. The continuing appropriateness of these policies has been reviewed since the introduction of IAS 8 and on a regular basis thereafter, and takes account of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.
9. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

## **Going Concern**

10. The Joint Committee has assessed Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee's ability to carry on as a going concern, as identified in the Summary of Significant Accounting Policies, and have disclosed, in the financial statements, any material uncertainties that have arisen as a result.

## **Related Party Transactions**

11. All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure in order to comply with the requirements of IAS24, as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

## **Events Subsequent to the Date of the Balance Sheet**

12. There have been no material events since the date of the Balance Sheet which necessitate revision of the figures in the financial statements or notes thereto including contingent assets and liabilities.
13. Since the date of the Balance Sheet no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

## **Corporate Governance**

14. I acknowledge as Treasurer my responsibility for the corporate governance arrangements. I confirm that I have disclosed to the auditor all deficiencies in internal control of which I am aware.

15. The corporate governance arrangements have been reviewed and the disclosures I have made are in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2017, which require disclosure.

### **Fraud**

16. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I have disclosed to the auditor any allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

### **Assets**

17. The assets shown in the Balance Sheet at 31 March 2017 were owned by Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee, other than assets which have been purchased under finance leases. Assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

### **Leases**

18. All leases disclosed in the financial statements have been reviewed and concluded as being operating leases.

### **Liabilities**

19. All liabilities have been provided for in the financial records, including the liabilities for all purchases to which title has passed prior to 31 March 2017.

### **Carrying Value of Assets and Liabilities**

20. The assets and liabilities have been recognised, measured, presented and disclosed in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17. There are no plans or intentions that are likely to affect the carrying value of classification of the assets and liabilities within the financial statements.

### **Annual Leave Accrual**

21. The holiday pay accrual included in the financial statements includes any flexi time balance due at the year end.

Yours sincerely

Treasurer





# Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee

2016/17 Annual Audit Report



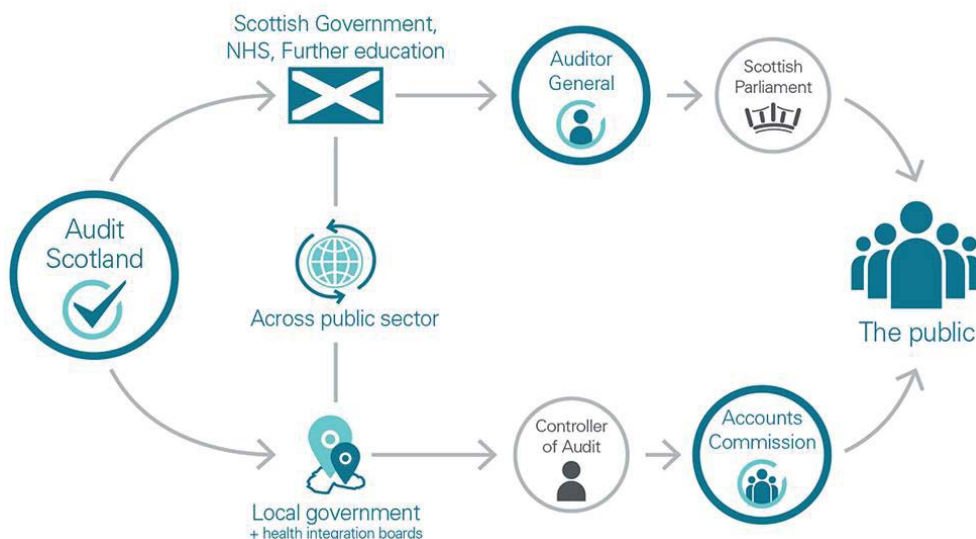
To Members of the Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee and the Controller of Audit

11 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.



---

# Contents

---

Key messages	4
Introduction	5
Part 1	7
Audit of 2016/17 annual report and accounts	
Part 2	10
Financial management	
Part 3	13
Financial sustainability	
Part 4	15
Governance and transparency	
Part 5	17
Value for money	
Appendix 1	18
Action plan 2016/17	
Appendix 2	19
Significant audit risks identified during planning	
Appendix 3	22
Summary of national performance reports 2016/17	

---

# Key messages

---

## 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 Outturn during the year was positive compared to budget and a surplus of £0.029 million was generated.
- 3 The Joint Committee has delivered services within budget over the past 2 years.

## Financial sustainability

- 4 The Joint Committee held general reserves of £0.096 million and earmarked reserves of £0.192 million at the end of 2016/17.
- 5 The overall level of useable reserves has decreased over the last 5 years.

## Governance and transparency

- 6 The Joint Committee has appropriate governance arrangements in place to support the scrutiny of decision making. However, the contract standing orders require review and update.
- 7 The Joint Committee is open and transparent in the way it conducts its business; the public can attend meetings and access agendas and meeting papers.

## Value for money

- 8 An Annual Report on the work of the Joint Committee is presented to members every year.

# Introduction

1. This report is a summary of the findings arising from the 2016/17 audit of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee (Clydeplan).
2. The scope of the audit was set out in our Annual Audit Plan presented to the March 2017 meeting of the Joint Committee. This report comprises:
  - an audit of the annual report and accounts
  - consideration of the four dimensions that frame the wider scope of public sector audit requirements as shown in [Exhibit 1 \(page 5\)](#).

## Exhibit 1 Audit dimensions



Source: Code of Audit Practice 2016

3. The main elements of our audit work in 2016/17 have been:
  - an interim audit of Renfrewshire Council's main financial systems and governance arrangements which are used by Clydeplan
  - an audit of Clydeplan's 2016/17 annual report and accounts including the issue of an independent auditor's report setting out our opinions.
4. Clydeplan is responsible for preparing the annual report and accounts that show a true and fair view in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It is also responsible for establishing effective governance arrangements and ensuring financial management is effective.

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. As public sector auditors we provide an independent auditor's report on the annual report and accounts. We also review and report on the arrangements within Clydeplan to manage its performance and use of resources such as money, staff and assets. Additionally, we consider Clydeplan's best value arrangements. 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 report and 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 \(page 18\)](#). It 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 the Joint Committee 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 report and accounts



### Main judgements

Unqualified audit opinions on Clydeplan's annual report and accounts.

#### Unqualified audit opinions

**13.** The annual report and accounts for the year ended 31 March 2017 were approved by the Joint Committee on 11 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.

#### Submission of Clydeplan's annual report and accounts for audit

**15.** We received the unaudited annual report and accounts on 12 June, in line with the audit timetable set out in our 2016/17 Annual Audit Plan.

**16.** The working papers provided with the unaudited report and 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.

The Joint Committee's annual report and accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of its resources.

#### Risk of material misstatement

**17.** [Appendix 2 \(page 19\)](#) 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 our 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 report and accounts was undertaken during the planning phase of the audit and is summarised in [Exhibit 2](#)

(page 8). Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.

20. On receipt of the annual report and accounts and following completion of audit testing we reviewed our original materiality calculations and concluded that they remained appropriate.

## 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 per cent of gross expenditure for the year ended 31 March 2017.	£5,900
<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 75 per cent of overall materiality.	£4,400
<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.	£1,000

Source: Audit Scotland

## How we evaluate misstatements

21. 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. No errors were identified during the course of the audit.

## Significant findings

22. International Standard on Auditing 260 (UK & Ireland) requires us to communicate to you significant findings from the audit. We have no matters to report in respect of this requirement.

## Going concern

23. The financial statements of Clydeplan have been prepared on the going concern basis. No issues were identified with the assessment on going concern.

## Other findings

24. Our audit identified a number of presentational and disclosure issues which were discussed with management. These were adjusted and reflected in the audited annual report and accounts.

## Objections

25. The Local Authority Accounts (Scotland) Regulations 2014 require a local government bodies 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. Clydeplan complied with the regulations.

# Part 2

## Financial management



### Main judgements

**Outturn during the year was positive compared to budget and a surplus of £0.029 million was generated.**

**Clydeplan has delivered services within budget over the past 2 years.**

### Financial performance in 2016/17

**26.** In December 2015 the Joint Committee approved its budget for 2016/17. Total budget expenditure and total budget income was £0.588 million resulting in a budgeted breakeven position.

**27.** Actual outturn for the year was total expenditure of £0.568 million and total income of £0.597 million. This resulted in a surplus of £0.029 million for the year compared to the budgeted breakeven position.

**28.** The largest source of income was requisitions from members of the Joint Committees. This was £0.580 million in 2016/17 which was unchanged from 2015/16.

**29.** Details of significant variances are summarised in [Exhibit 3 \(page 11\)](#). Over the past 2 years Clydeplan has delivered services within budget. A significant deficit was generated in 2015/16 but this was due to the planned repayment of reserves to members of the Joint Committee. Removing the repayment of the reserves of £0.120 million from outturn would have resulted in a surplus of £0.020 million for 2015/16.

**30.** The surplus of £0.029 million reported in the Management Commentary is different to the deficit of £0.005 million reported in the Comprehensive Income and Expenditure Statement (CIES). This is due to accounting adjustments required for pension costs and the employee leave accrual. As the budget is prepared and monitored in this way, it is appropriate for it to be detailed in the Management Commentary in this way.



## Exhibit 3

### Summary of significant over and under spends/recovery against budget

Area	Under/over spend/recovery (£)	Reason(s) for variance
<b>Underspends/over recovery</b>		
Property Costs	£8,831	Due to renting out office space from the year to an external body.
Supplies and Services	£7,118	Due to continued efforts to reduce IT maintenance costs and slower replacement of IT equipment.
Administrative Costs	£5,778	Due to lower than expected printing and stationary costs and conference and course expenses.
Other Income	£9,803	Due to income received from the Glasgow Green Network to cover the administrative support provided by Clydeplan employees.
<b>Overspends/under recovery</b>		
Contractors and Other	£7,006	Due to consultancy costs incurred in respect of the preparation of the proposed plan.

Source: Clydeplan annual report and accounts 2016/17

## Budgetary monitoring and control

**31.** The [Local Government in Scotland: Financial overview 2015/16](#) (November 2016) highlighted that the need for budgets and forecasts to reflect actual spending becomes increasingly important for local government bodies with decreasing (or low levels) of usable reserves to rely on. An analysis of reserves can be seen in Part 3 of the report.

**32.** We noted that Clydeplan's budget is aligned to its statutory objectives. Budgets are approved by the Joint Committee and budget monitoring updates are provided at each meeting of the Joint Committee. The budget monitoring updates provide details on variances against the budget and forecast year-end positions. This allows members and officers to take actions to address variances and address forecast over and under spends.

## Internal controls

**33.** 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 Clydeplan has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

**34.** The systems in place at Clydeplan are hosted by Renfrewshire Council and were assessed as part of the Renfrewshire Council audit. As part of the Renfrewshire Council audit we concluded that the key controls were operating effectively, although there were areas where improvements could be made.

Overall, no significant control weaknesses were identified which could affect the Council's, and by extension Clydeplan'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.

## **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 Clydeplan's arrangements including policies and codes of conduct for staff and elected members, whistleblowing, and fraud prevention.

**36.** Based on the evidence reviewed by us, we concluded that the Clydeplan has adequate arrangements in place for the prevention and detection of fraud.

## **National Fraud Initiative**

**37.** The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise co-ordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or error.

**38.** Clydeplan does not participate in the NFI exercise. This was reported within the Action Plan in the 2015/16 Annual Audit Report. Due to the nature of operations the majority of expenditure incurred relates to staff costs and the majority of income received is from requisitions. These are low risk areas as requisition income is agreed by the members of the Joint Committee and the payroll system is hosted and operated by Renfrewshire Council. This separates and minimises control and opportunities for fraud.

**39.** Renfrewshire Council participates in the NFI exercise and if any frauds are identified the improvements to systems would also impact on Clydeplan due to the use of Renfrewshire Council's financial systems.

**40.** While we recognise the reasons why Clydeplan does not currently participate in the NFI exercise, we would recommend Clydeplan and Renfrewshire Council discuss the possibility to participate in the NFI exercise in future.

# Part 3

## Financial sustainability



### Main judgements

**Clydeplan held general reserves of £0.096 million and earmarked reserves of £0.192 million at the end of 2016/17.**

**The overall level of reserves has decreased over the last 5 years.**

### Financial planning

**41.** It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to Clydeplan's strategies. Although members only approve the budget for a single year, this should be supported by indicative future spending plans (covering three years at least) that forecast the impact of relevant pressures on Clydeplan.

**42.** Clydeplan's budgets are prepared on an annual basis and do not include longer term strategies. The Accounts Commission recommended that when future Scottish Government funding is not known, bodies should plan for a range of scenarios so they are prepared for different levels of funding and income.

**43.** A review of committee minutes identified that medium term financial planning or scenario planning is not carried out. As a result, there is a risk members do not have sufficient information to inform decision making.

**Appendix 1, Action Plan, point 1**

### Funding position

**44.** The Joint Committee approved its 2017/18 budget in December 2016 with proposed total income and expenditure of £0.599 million, resulting in a breakeven position. Requisition income is unchanged from 2016/17 at £0.580 million.

### Savings plans

**45.** A review of Clydeplan's budget information and revenue estimates for 2017/18 highlight that the funding settlement for 2018/19 and beyond is uncertain. It is recognised that over the medium term the funding position of local government across Scotland is likely to involve a further period of contraction. The Joint Committee and management recognise there may be a need to seek further efficiencies and will continue to monitor and review operating costs in light of the future uncertainties.

### Reserves

**46.** Like all Joint Committees, Clydeplan has no specific powers to retain reserves to meet future requirements and technically the amounts held are due to local authorities. These balances are used to support medium-term financial planning and address any unforeseen costs.

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.

**47.** In 2016/17 the overall level of useable reserves held by Clydeplan increased by £0.029 million (12 per cent). The closing balance of £0.288 million is 49 per cent of 2016/17 budgeted expenditure. The overall level of reserves is made up of £0.096 million of general reserves and a £0.192 million Strategic Development Plan Contingency Fund which is earmarked for specific use. The purpose of the Strategic Development Plan Contingency Fund is to ensure Clydeplan is able to deliver its statutory mandate and to ensure the pressures of additional resource requirement during the development of the Strategic Development Plan are met. Officers have assessed the level of general reserves as being a prudent level to protect against unforeseen costs.

**48.** [Exhibit 4 \(page 14\)](#) provides an analysis of useable reserves over the last five years. The usable reserves / balances due to member authorities' have increased since 2014/15. The significant reduction in reserves in 2015/16 was due to the planned repayment of reserves to members of the Joint Committee. The level of reserves is reviewed as part of the budget monitoring report which is reported at every committee meeting. It is recommended that the balance held in reserves continues to be reviewed to ensure there are sufficient funds to address ongoing demand on services.

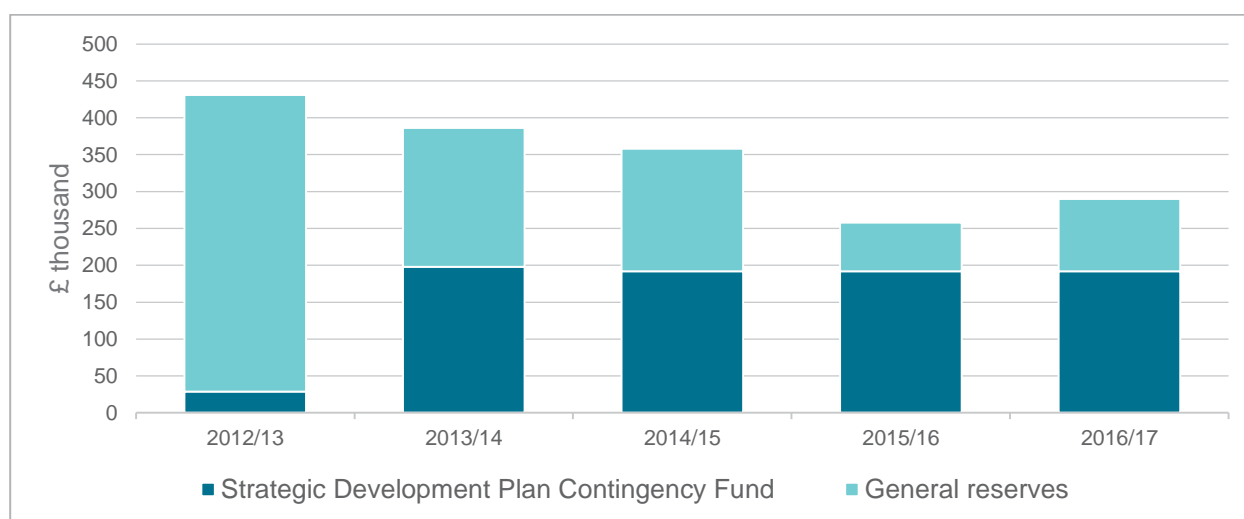
### Proposed change to the Scottish planning system

**49.** An independent review published in 2016 recommended that Strategic Development Plans should be replaced by an enhanced National Planning Framework. The Scottish Government published its consultation document in January 2017 which outlined proposed changes to the system. The Joint Committee responded to the consultation document outlining its opinions on the changes proposed by the consultation.

**50.** An independent analysis of the responses to the consultation and a position statement were published in June 2017. It is unclear what Clydeplan's role would be under the new structure and there is a possibility that Clydeplan would not be required under the new structure. A Planning Bill is expected to go to Parliament in winter 2017 which should make Clydeplan's future clearer.

## Exhibit 4

### Analysis of useable reserves over last five years



Source: Clydeplan annual report and accounts 2012/13 – 2016/17

# Part 4

## Governance and transparency



### Main Judgements

**The Joint Committee has appropriate governance arrangements in place to support the scrutiny of decision making. However, the contract standing orders require review and update.**

**The Joint Committee is open and transparent in the way it conducts its business; the public can attend meetings and access agendas and meeting papers.**

### Governance arrangements

**51.** Members and management of Clydeplan are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements. We concluded that Clydeplan has effective governance arrangements which provide an appropriate framework for organisational decision-making.

**52.** Citizens should be able to hold Clydeplan to account about the services it provides. Transparency means that citizens have access to understandable, relevant and timely information about how the council is taking decisions and how it is using its resources. Overall we concluded that Clydeplan is open and transparent although there are some areas where practices could be improved.

**53.** As part of audit work we reviewed various governance policies and procedures (e.g. scheme of delegation, contract standing orders, etc.) and found the contract standing orders had not been updated for a number of years. As a result, there is a risk that the policies and procedures in respect of granting contracts are not up to date and in line with legislation.

Appendix 1, Action Plan, point 2

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

**54.** The Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 requires Joint Committees to prepare and publish, along with their financial statements, a management commentary, an annual governance statement 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.

**55.** 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.

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

**56.** Internal audit provides senior management and elected members with independent assurance on Clydeplan's overall risk management, internal control and corporate governance processes.

**57.** The internal audit function is carried out by Renfrewshire Council's internal audit team. We carried out a review of the adequacy of Renfrewshire Council's internal audit function and concluded that it operates in accordance with the Public Sector Internal Audit Standards (PSIAS). However, there were areas where we identified recommendations for improvement.

**58.** To avoid duplication, we place reliance on the work of internal audit wherever possible. No specific reviews of Clydeplan's processes and systems were carried out by internal audit in 2016/17. Therefore, we did not place reliance on the work of internal audit.

## Risk management

**59.** Clydeplan's Financial Regulations were updated in December 2016 and these required Clydeplan to implement a risk register. A risk register was implemented and approved by the Joint Committee in March 2017 as part of the Business Continuity Plan. The risk register identifies risks across premises, services and personnel and risks are scored based on likelihood and impact. This would allow members and management to prioritise the most significant risks.

## Transparency

**60.** Transparency means that the public, in particular local residents have access to understandable, relevant and timely information about how Clydeplan is taking decisions and how it is using resources such as money, people and assets.

**61.** There is evidence from a number of sources which demonstrate Clydeplan's commitment to transparency. Members of the public can attend Joint Committee meetings and minutes of the meetings and supporting papers are readily available through Clydeplan's website.

**62.** The Joint Committee's website allows the public to access a wide range of information on corporate policies, targets and performance.

**63.** The Joint Committee makes its 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 facing the Joint Committee.

**64.** Overall, we concluded that the Joint Committee conducts its business in an open and transparent manner.

## Equalities

**65.** The Equality Act 2010 introduced a public sector general duty that encourages public bodies to mainstream equality, that is, ensure it is part of their core work. The Act requires that by no later than 30 April 2015 and every two years thereafter, public bodies must publish a report on the progress made to achieve the quality of outcomes it has set.

**66.** Under the terms of the Act and supporting legislation, Clydeplan does not have a requirement to fulfil this duty. However, Renfrewshire Council, as lead authority for Clydeplan, is required to fulfil this duty. Therefore, the work done and reports published by Renfrewshire Council will include Clydeplan as Clydeplan is covered by Renfrewshire Council's policies.

# Part 5

## Value for money



### Main judgements

**An Annual Report on the work of the Joint Committee is presented to members every year.**

#### Best Value

**67.** Best value is a key factor to consider when planning policies, programmes and projects and when taking any spending decisions. Clydeplan should have systems and processes to ensure that it can demonstrate that it is delivering best value by assessing and reporting on the economy, efficiency, effectiveness and equality in service provision.

#### Following the public pound

**68.** Local government bodies have a statutory responsibility to comply with the Accounts Commission / COSLA Code of Guidance on funding external bodies and following the public pound.

**69.** The Joint Committee's financial regulations state that it will continuously strive to secure best value for money and economy, efficiency and effectiveness in their use of resources.

#### Annual report

**70.** Clydeplan's minute of agreement requires an Annual Report on its work to be prepared for members each year. The Annual Report 2016 was presented to members at the March 2017 meeting. The report provided a summary of the work carried out by Clydeplan during the previous year and was split across a number of broad and overarching headings (e.g. review of the current Strategic Development Plan, Glasgow City Region and City Deal and personnel).

#### National performance audit reports

**71.** 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 the Joint Committee. These are outlined in [Appendix 3 \(page 24\)](#).




**72.** The 2015/16 Annual Audit Report action plan outlined there was no formal process in place to review Audit Scotland's national reports pertinent to Clydeplan. A process was put in place whereby the Head of Planning and Housing Services (Renfrewshire Council) and the Treasurer will disseminate any national reports relevant to Clydeplan to the Strategic Development Plan Manager.

Value for money is concerned with using resources effectively and continually improving services.

# Appendix 1

## Action plan 2016/17

### 2016/17 recommendations for improvement

			
Page no.	Issue/risk	Recommendation	Agreed management action/responsible officer/timing
13 para 43	<b>1. Medium term financial planning</b> A review of committee papers and minutes identified no medium or longer term financial planning is carried out and no scenario planning on savings is carried out either. As a result, there is a risk members have insufficient information to make informed decisions.	It is recommended scenario planning is carried out to highlight the impact of possible developments to members.	Scenario planning will be built into the estimate process. Head of Finance 31 March 2018
15 para 53	<b>2. Contract standing orders</b> A review of the contract standing orders was carried out which highlighted information that was not up to date. As a result, there is a risk that the process and procedures in respect of granting contracts are not up to date and in line with legislation.	It is recommended that the contact standing orders are reviewed and updated.	Renfrewshire Council will liaise with Clydeplan regarding reviewing and updating the contract standing orders. Head of Corporate Governance 31 March 2018



# 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>		
<b>1 Management override of controls</b>  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 the risk of management override of controls in order to change the position disclosed in the financial statements.	Detailed testing of journal entries.  Review of significant management estimates and evaluation of the impact of any variability in key assumptions.  Focused testing of accruals and prepayments.  Evaluation of significant transactions that are outside the normal course of business.  Substantive testing of transactions after the year end to confirm expenditure and income has been accounted for in the correct financial year.	Our audit procedures did not uncover evidence of management override of controls.
<b>2 Risk of fraud over income/expenditure</b>  ISA 240 presumes a risk of fraud over income, which is expanded to include fraud over expenditure in the public sector by the Code of Audit Practice.  The majority of Clydeplan's income is in the form of annual funding from member authorities. Due to the predictable nature of this, the risk of fraud over income has been rebutted.  The presumed risk of fraud over expenditure remains relevant and therefore requires an audit response.	Analytical procedures over areas of expenditure.  Detailed testing of expenditure transactions focussing on areas of greatest risk.	Our audit procedures did not uncover any evidence of fraud over income or expenditure.
<b>3 Revised format of financial statements</b>  The 2016/17 Code of Practice on Local Authority Accounting	Review of structure of CIES and MIRS.  Detailed analysis of account code mapping for CIES.	Our audit procedures did not identify any errors in the structure of the CIES or MIRS and all account codes had been mapped

Audit risk	Assurance procedure	Results and conclusions
(the Code) makes changes to the structure of the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MIRS). This will require the restatement of prior year comparatives and presents a risk of misstatement in the financial statements.	Review of prior year comparatives and restatements.	across correctly.
<b>4 New expenditure and funding analysis</b>  The Code sets out a new requirement for an expenditure and funding analysis. This will provide a reconciliation of the statutory adjustments between Clydeplan financial performance on a funding basis and the surplus or deficit on the provision of services in the CIES. This presents an increased risk of misstatement as the analysis may not be in line with the requirements of the Code. There is also an increased risk of inconsistencies between the analysis and the financial statements.	Detailed testing of expenditure and funding analysis.  Review of prior year comparatives and restatements.  Review of consistency between expenditure and funding analysis and information contained elsewhere within the annual accounts.	Our audit procedures did not identify any errors within the Expenditure Funding Analysis statement and all information was consistent with information contained elsewhere within the annual accounts.
<b>5 Changes to governance disclosures</b>  The Code makes changes to the requirements of the governance statement. This will require additional information to be disclosed to ensure all requirements of the Code are met. This presents a risk that the governance disclosures may not be complete.	Review of governance statement content.  Testing of governance disclosures.	Our audit procedures did not identify any errors with the governance statement and all disclosures required had been included.
<b>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</b>		
<b>6 Proposed changes to Scottish planning system</b>  An independent review published in 2016 recommended that Strategic Development Plans should be replaced by an enhanced National Planning Framework.  It is not clear what role Clydeplan will have under the proposed changes. This impacts on the ability of	Review of Clydeplan operational reports presented to the Joint Committee.  Monitoring of Scottish Government publications in this area.	The Scottish Government's consultation document was published in January 2017 with all responses to be made by April 2017. The Joint Committee responded to the consultation document outlining its opinions on the changes proposed by the consultation.  An independent analysis of the responses to the consultation was published in June 2017. A Planning Bill is expected to go to

Audit risk	Assurance procedure	Results and conclusions
Clydeplan to undertake medium/long term planning to outline its future objectives.		Parliament in winter 2017 which could impact on the role of Clydeplan under the new structure. Until the Planning Bill is published the impact of the changes is not certain.

# 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

[\*The National Fraud Initiative in Scotland - June 2016\*](#)

[\*How councils work - Roles and working relationships in councils - November 2016\*](#)

[\*Local government in Scotland: Financial overview 2015/16 - November 2017\*](#)

[\*Local government in Scotland: Performance and challenges 2017 - March 2017\*](#)

# Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee

## 2016/17 Annual Audit Report

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



**GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING  
AUTHORITY JOINT COMMITTEE**

**To:** Joint Committee

**On:** 11 September 2017

---

**Report by:** The Treasurer and the Strategic Development Plan Manager

---

**Heading:** Audited Annual Accounts 2016-17

---

**1. Summary**

- 1.1 At the meeting of the Joint Committee on 12 June 2017 a report on the unaudited accounts for the year ended 31 March was noted.
- 1.2 Following the introduction of the Local Authority Accounts (Scotland) Regulations 2014 the audited accounts must be approved for signature by the Joint Committee no later than 30 September each year. Following this approval the audited accounts will be submitted to the Strategic Development Plan Manager, the Convenor and the Treasurer for signature.
- 

**2 Recommendations**

- 2.1 It is recommended that members approve the audited accounts for signature.
-







---

## Annual Financial Statements 2016/17

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

**CONTENTS**

Management Commentary	3
Statement of Responsibilities for the Annual Accounts	7
Governance Statement	8
Remuneration Report	11
Independent Auditor's Report	14
Movement in Reserves Statement for the year ended 31 March 2017	17
Comprehensive Income and Expenditure Statement for the year ended 31 March 2017	18
Expenditure Funding Analysis for the year ended 31 March 2017	19
Balance Sheet as at 31 March 2017	20
Cash flow Statement for the year ended 31 March 2017	21
Note 1 Summary of Significant Accounting Policies	22
Note 2 Accounting Standards Issued not Adopted	26
Note 3 Critical Judgements in Applying Accounting Policies	26
Note 4 Assumptions made about the future	26
Note 5 Events after the balance sheet date	26
Note 6 Details of Movement in Reserves	27
Note 7 Reconciliation of the Balance on the Comprehensive Income & Expenditure Statement to the Movement in Reserves Statement	28
Note 8 Green Network Partnership	29
Note 9 Financing & Investment Income	30
Note 10 Operating Leases	30
Note 11 Debtors	31
Note 12 Creditors	31
Note 13 Transfer to Creditors	31
Note 14 Related Parties	31
Note 15 External Audit Costs	32
Note 16 Retirement Benefits	32
Note 17 Contingent Liabilities and Assets	36

## **Management Commentary**

### **Introduction**

The requirements governing the format and content of local authorities' annual accounts (under s106 of the Local Government (Scotland) Act 1973 joint boards and committees are classed as local authorities) are contained in The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"). The annual accounts are prepared in line with The Local Authority Accounts (Scotland) Regulations 2014.

### **History and Statutory Background**

In 2008 the Scottish Government established Strategic Development Planning Authorities for each of the four Scottish city regions. This created the Glasgow and Clyde Valley Strategic Development Planning Authority (GCVSDPA). The principal role of the GCVSDPA is to prepare and maintain an up to date Strategic Development Plan (SDP) for the region. This process involves engagement through joint working and consultation with key stakeholder organisations and the wider community. In 2014 the GCVSDPA rebranded as Clydeplan to improve recognition and gain wider resonance within the region.

GCVSDPA is a Joint Committee formed under section 57 of the Local Government (Scotland) Act 1973. The Joint Committee is comprised of the eight local authorities of East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire and West Dunbartonshire. A Joint Committee is not a separate legal entity, therefore, to ensure the actions of the GCVSDPA have legal effect it must appoint a 'lead authority' with legal personality to act on its behalf to implement its decisions. The lead authority appointed to act for GCVSDPA is Renfrewshire Council.

The Joint Committee is supported by a Steering Group comprising the SDP Manager and the Chief Planning Officers (or their representatives) of each of the member authorities. The Steering Group meets at least four times a year to consider SDP reviews, consultations and reports to be presented to the Joint Committee and the work programme to be undertaken by the core team for the SDP.

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) has a strong relationship with the GCVSDPA and an overview of the Partnership is provided at note 8 of the financial statements.

### **The Strategic Development Plan**

The SDP sets out a development strategy over the next 20 years of where new development should be located and a policy framework to help deliver sustainable economic growth and enhance the quality of life in the Glasgow and Clyde Valley region. The current SDP was approved by the Scottish Government on the 29 May 2012 and published on 13 July 2012.

2016/17 saw a number of important developments in respect of strategic development planning which could have significant implications for the future role and work of the GCVSDPA.

Firstly, on 26 May 2016 the second strategic development plan was submitted to the Scottish Ministers for approval. The subsequent Examination ran from 14 July 2016 and concluded on 20 March 2017 with the Reporter's Report of Examination being submitted to Scottish Ministers for their consideration on 20 March 2017.

Secondly, the Scottish Government's response to the independent panel review of the Scottish Planning System was published on 11 July 2016. The report recommended that Strategic Development Plans be removed from the Development Plan hierarchy in Scotland to be replaced with an enhanced National Planning Framework incorporating regional priorities identified through new regional partnership working arrangements. A consultation process on the recommendations concluded on 4 April 2017.

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

Finally the publication of the Glasgow City Region's Economic Strategic and Action Plan in February 2017 and the development of topic based portfolios, including land use and sustainability, aimed at supporting its delivery.

The principle focus for 2017/18 will be the approval by Scottish Ministers of the second Strategic Development Plan and its formal publication, the commencement of the work programme in respect of the third Strategic Development Plan, consideration of the implications of the publication of new Planning Bill, due in December 2017 and the engagement in and support of the work streams emerging from the Glasgow City Region portfolios.

## **Financial Performance**

### **Revenue**

The Comprehensive Income and Expenditure Account on page 18 summarises the total costs of providing services and the income available to fund those services.

The Joint Committee has returned a surplus of £29,754 for the financial year 2016/17. This surplus excludes accounting adjustments relating to pensions and short-term accumulating compensated absences. The difference between the employee costs figure below and the figure reported in the Comprehensive Income and Expenditure report is due to accounting adjustments for pension costs £16,000 and accrued employee benefits £3,079.

A summary of the outturn position against the agreed budget is shown below:

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	£	£	£
Employee Costs	418,800	416,629	2,171
Property Costs	67,500	58,669	8,831
Supplies and Services	43,300	36,182	7,118
Contractors & Others	9,000	16,006	(7,006)
Administrative Costs	41,800	36,022	5,778
Payments to Other Bodies	7,100	4,041	3,059
<b>Total Expenditure</b>	<b>587,500</b>	<b>567,549</b>	<b>19,951</b>
Requisition Income	(579,500)	(579,500)	-
Other Income	(8,000)	(17,803)	9,803
<b>Total Income</b>	<b>(587,500)</b>	<b>(597,303)</b>	<b>9,803</b>
<b>(Surplus)/Deficit for Year</b>	<b>-</b>	<b>(29,754)</b>	<b>29,754</b>

The underspend in Employee Costs is mainly due to an underspend in training costs.

The underspend in Property Costs is due to renting out office space for the year to an external body. Rent levels agreed under the lease extension, approved in August 2016, remain unchanged from previous levels.

The underspend in Supplies and Services is the result of continuing to reduce the cost of IT maintenance and slower replacement of IT equipment, which has assisted to offset an increase in the costs associated with the Development Plan.

Consultancy fees incurred in respect of the preparation of the Proposed Plan have contributed to the overspend in Contractors.

Administration Costs is underspent due to lower than expected printing and stationery costs and conference and course expenses.

Payments to Other Bodies is underspent due to a decrease in survey expenditure in 16/17.

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

Other Income is over recovered due to the income received from the Glasgow Green Network to cover the administration support by GCVSDPA employees.

### **Capital and Reserves**

The Joint Committee does not have the legal powers necessary to hold assets therefore there is no capital spend. Cash balances held by the Joint Committee are matched by creditor balances. The largest creditor balance relates to the revenue reserve balance of £288,241.

The balance on revenue reserves is made up as follows:

Strategic Development Plan Contingency Fund	£192,486
General Reserves	£95,755
<b>Balance at 31 March 2017</b>	<b><u>£288,241</u></b>

### **Provisions, Contingencies and Write-offs**

The Joint Committee is not aware of any eventualities which may have a material effect on the financial position of the Joint Committee, and has made no provisions for such eventualities.

In general, any contingent liabilities known to the Joint Committee are covered by insurance arrangements.

There were no debt write-offs during the year.

### **Net Pension Position**

The disclosure requirements for pension benefits under IAS19 are detailed at Note 16. The appointed actuaries have confirmed a net liability position of £0.940 million, a deterioration of £0.478 million in their assessment of the position of the pension fund. The net deficit position of the pension reserve impacts on the net asset position of the Joint Committee as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

The appointed actuaries remain of the view however that the asset holdings of the Strathclyde Pension Scheme and the contributions from employees and employers together with planned increases in employers' contributions provide sufficient security and income to meet future pension liabilities.

### **Service changes and Future Developments**

There have been no changes to the statutory functions which the Joint Committee undertakes, however the Joint Committee is aware of the ongoing review of the planning system by the Scottish Government. The Scottish Government published a consultation document on the planning review which closed on 4<sup>th</sup> April 2017. The review proposes the removal of Strategic Development Plans from the development planning hierarchy with regional priorities set out in an enhanced National Planning Framework supported by a process of regional partnership working. The Scottish Government intend for a Planning Bill to be published towards the end of 2017.

### **Events after the Balance Sheet Date**

Events from the Balance Sheet Date until the Date of Signing the Accounts have been taken into consideration.

### **Impact of Economic Climate**

The Joint Committee recognises the difficult financial climate facing local authorities and has continued to seek efficiencies wherever possible. It has been agreed that the level of requisition in 2017/18 remain at 2016/17 levels.

**Conclusion**

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record my thanks to both the Strategic Development Plan Manager and his staff, and to my staff for their continued hard work and support.

**Councillor Lawrence O'Neill**

Convenor  
11 September 2017

**Alan Russell**

Treasurer  
11 September 2017

**Stuart Tait**

Strategic Development Plan Manager  
11 September 2017

## **Statement of Responsibilities for the Annual Accounts**

### **The Joint Committee's Responsibilities**

The Joint Committee is required:

- to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Joint Committee has the responsibility for the administration of those affairs. (section 95 of the Local Government (Scotland) Act 1973). The Director of Finance and Resources at Renfrewshire Council is the designated Officer and operates as the Treasurer for the Glasgow & Clyde Valley Strategic Development Planning Authority;
- 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.

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on the 11 September 2017.

Signed on behalf of Glasgow and Clyde Valley Strategic Development Planning Authority Joint Committee:

### **Councillor Lawrence O'Neill**

Convenor  
11 September 2017

### **The Treasurer's Responsibilities**

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this statement of accounts, the Treasurer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates which were reasonable and prudent;
- Complied with legislation;
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation);
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2017.

### **Alan Russell CPFA**

Treasurer  
11 September 2017

## **Governance Statement**

### **Scope of Responsibility**

Glasgow and Clyde Valley Strategic Development Planning Authority's Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

### **The Joint Committee's Governance Framework**

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled. It also describes the way it engages with, and accounts to its stakeholders.

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main features of our governance arrangements are summarised below:

- Minute of Agreement between the member councils of the Joint Committee [www.clydeplan-sdpa.gov.uk/whoweare/overview](http://www.clydeplan-sdpa.gov.uk/whoweare/overview), setting out the arrangement for the preparation, monitoring and review of the Strategic Development Plan,
- The Joint Committee is supported by a Steering Group comprising planning professionals from each of the member councils and the Strategic Development Plan Manager,
- Development Plan Scheme and Participation Statement sets out the key timelines for the preparation of the Strategic Development Plan and the Joint Committee's approach to engagement with our stakeholders on its development, this is reviewed annually,
- Clearly defined Standing Orders, Scheme of Delegation and Financial Regulations
- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve the objectives of the Strategic Development Plan,
- Public performance reporting through the Annual Report,
- Policies to regulate employee related matters, including the employee code of conduct and disciplinary procedures,
- The Joint Committee approves, as part of the Glasgow and Clyde Valley Green Network Partnership's Terms of Reference, the allocation of local authority contributions to support the delivery of its Business Plan.
- Risk management arrangements including regular monitoring and review of significant risk exposures.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded and material errors are detected and corrected. The system is based on a framework of management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. The system includes:

- Financial management is supported by comprehensive financial regulations and codes,
- Comprehensive budgeting systems, and detailed guidance for budget holders,
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts,



**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

- Setting targets to measure financial and other performance,
- The preparation of regular financial reports that indicate actual expenditure against the forecasts.

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of Renfrewshire Council. This includes regular reviews by the Chief Auditor of Renfrewshire Council.

### **Review of Effectiveness**

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Strategic Development Plan Manager, including the use of a self-assessment tool involving completion of a 30 point checklist covering four key areas of governance:

- Business Planning and Performance Management
- Internal Control Environment
- Budgeting, Accounting and Financial Control
- Risk Management and Business Continuity

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Joint Committee's internal audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process. The Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems.

### **Statement on the Role of the Chief Financial Officer**

CIPFA published this statement in 2016 and under the Code, the Joint Committee is required to state whether it complies with the statement, and if not, to explain how their governance arrangements deliver the same impact. The full statement is:

The Chief Financial Officer in a public service organisation:

- is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy; and
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- must lead and direct a finance function that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

The Joint Board complies with the Principles set out in CIPFA's Role of the Chief Financial Officer.

### **Continuous Improvement**

Business continuity arrangements were improved during 2016/17, with the plan being approved by the Joint Committee and regular reviews planned by the management team.

### **Review of Scottish Planning System**

The ongoing review of the Scottish Planning System which recommends the removal of Strategic Development Plans from the Development Plan hierarchy to be replaced with regional partnership working has created uncertainty about the statutory nature of Strategic Development Plans' and their related governance structures and processes. However, the Planning Review does consider the need for regional partnership working through new regional partnerships which will help identify regional priorities to be adopted as part of the National Planning Framework. The new Draft Planning Bill is due for publication towards the end of 2017. The ongoing implications of the review for the Joint Committee will be kept under review and reported accordingly.

### **Assurance**

In conclusion, it is our opinion that the annual review of governance together with the work of internal and external auditors and certification of assurance from the Strategic Development Plan Manager provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions will be taken as necessary to maintain and further enhance the Joint Committee's governance arrangements.

**Councillor Lawrence O'Neill**  
Convenor  
11 September 2017

**Stuart Tait**  
Strategic Development Plan Manager  
11 September 2017

## Remuneration report

All information disclosed in sections two to four in this Remuneration Report will be audited by the council's appointed auditor, Audit Scotland. The other section of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

### 1. Remuneration policy for elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

### 2. Remuneration policy for senior employees

The Remuneration Policy of the Joint Committee is set in reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities. The salary of the Strategic Development Planning Manager is set at spinal point 29, which is currently the equivalent of 51.67% of the salary of the Chief Executive of Renfrewshire Council. These arrangements were agreed through approval of the Chief Officers' Award – Structure Plan Manager report at a meeting of the Joint Committee on 2<sup>nd</sup> December, 2002. The Assistant Strategic Development Planning Manager and Programme Manager posts have been evaluated under the single status framework and are paid according to the salary scales of Renfrewshire Council.

2015/16	Senior Employees		2016/17
Total Salary, fees and allowances	Name	Post Held	Total Salary, fees and allowances
£			£
71,206	Stuart Tait	Strategic Development Plan Manager	71,721
48,877	Dorothy McDonald	Assistant Strategic Development Plan Manager	49,932
<b>120,083</b>	<b>Total</b>		<b>121,653</b>

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2017, whether or not those amounts were actually paid to, or received by, those persons within that period.

(i) "Other" includes any payments made by the Joint Committee by way of remuneration to, or in respect of, the person that do not otherwise fall within the definition, other than payments relating to pensions.

### 3. Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS).

From 1<sup>st</sup> April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme increased by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age for each member.

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

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 contributions rates were set at 6% for all non manual employees.

<b>2015/16</b> Member contribution rates on earnings in the bands below		<b>2016/17</b>
Up to £20,500	5.5%	Up to £20,500
£20,501 to £25,000	7.25%	£20,501 to £25,000
£25,001 to £34,400	8.5%	£25,001 to £34,400
£34,401 to £45,800	9.5%	£34,401 to £45,800
Over £45,801	12%	Over £45,801

If a person works part-time their contribution rate is worked out on the whole-time 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 a lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living. (Prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

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 full 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 figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

<b>Senior Employees</b>		<b>Accrued Pension benefits as at 31 March 2017</b>		<b>Change in accrued pension benefits since 31 March 2016</b>		<b>Pension contributions made by Joint Committee during 2016-2017</b>
<b>Name</b>	<b>Post Held</b>	<b>Pension</b>	<b>Lump Sum</b>	<b>Pension</b>	<b>Lump Sum</b>	<b>(i)</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£</b>
Stuart Tait	Strategic Development Plan Manager	0.029	0.058	+0.001	+0.001	13,842
Dorothy McDonald	Assistant Strategic Development Plan Manager	0.020	0.040	+0.001	+0.001	9,637
		<b>0.049</b>	<b>0.098</b>	<b>+0.002</b>	<b>+0.002</b>	<b>23,479</b>

(i) includes any contributions that Glasgow and the Clyde Valley Strategic Development Planning Authority has agreed to pay in respect of the relevant person at a later date

No pension contributions are made for the Joint Committee Convener or Vice Convenor.

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

#### **4. Remuneration of Employees**

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2016/17, in bands of £5,000.

<b>2015/16</b>	<b>Remuneration Band</b>	<b>2016/17</b>
<b>Number of employees</b>		<b>Number of employees</b>
-	£50,000 - £54,999	-
-	£55,000 - 59,999	-
-	£60,000 - £64,999	-
-	£65,000 - 69,999	-
1	£70,000 - £74,999	1
-	£75,000 - £79,999	-
-	£80,000 - £84,999	-
-	£85,000 - £89,999	-
-	£90,000 - £94,999	-
-	£95,000 - £99,000	-
<hr/> 1		<hr/> 1

\*2015/16 has been restated as this contained Green Network Partnership employees

#### **5. Exit Packages**

Glasgow and Clyde Valley Strategic Development Planning Authority had no exit packages in 2016-17.

**Councillor Lawrence O'Neill**  
Convenor  
11 September 2017

**Stuart Tait**  
Strategic Development Plan Manager  
11 September 2017

## **Independent Auditors Report**

### **Annual Accounts 2016-17**

#### **Independent auditor's report to the members of Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee 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 Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Expenditure Funding Analysis, 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 deficit 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.

Mark Ferris  
Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

11 September 2017



## **Movement in Reserves Statement for the year ended 31 March 2017**

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the **comprehensive income and expenditure statement**.

		Usable reserves		Unusable reserves	
		Revenue Reserve	Pension Reserve	Employee Statutory Adjustment Account	Total Reserves
	Note	£	£	£	£
Balance at 31 March 2015 carried forward		-	(802,000)	(12,148)	(814,148)
Movement in reserves during 2015-16					
Total comprehensive income and expenditure		(150,743)	393,000	-	242,257
Adjustments between accounting basis and funding basis under regulations	6a & 6b	50,816	(53,000)	2,184	-
Transfer from Creditors	6a	358,414			358,414
Net increase or (decrease) before transfers to other statutory reserves		258,487	340,000	2,184	600,671
Transfers to or (from) other statutory reserves		-	-	-	-
Transfer to creditors	13	(258,487)	-	-	(258,487)
Increase or (decrease) in 2015-16		-	340,000	2,184	342,184
Balance at 31 March 2016 carried forward		-	(462,000)	(9,964)	(471,964)
Movement in reserves during 2016-17					
Total comprehensive income and expenditure		(5,325)	(446,000)	-	(451,325)
Adjustments between accounting basis and funding basis under regulations	6a & 6b	35,079	(32,000)	(3,079)	-
Transfer from Creditors	6a	258,487			258,487
Net increase or (decrease) before transfers to other statutory reserves		288,241	(478,000)	(3,079)	(192,838)
Transfers (to) or from other statutory reserves		-			-
Transfer to creditors	13	(288,241)			(288,241)
Increase or (decrease) in 2016-17		-	(478,000)	(3,079)	(481,079)
Balance at 31 March 2017 carried forward		-	(940,000)	(13,043)	(953,043)

## **Comprehensive Income and Expenditure Statement for the year ended 31 March 2017**

This statement shows the accounting cost of providing services and managing the Joint Committee during the year. It includes, on an accruals basis, all of the Joint Committee's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the **movement in reserves statement**.

<b>2015/16</b>			<b>2016/17</b>
£		Note	£
417,927	Employee Costs		435,708
63,524	Property Costs		58,669
40,289	Supplies & Services		36,182
63,359	Contractors		16,006
41,811	Administration Costs		36,022
172,061	Payments to Other Bodies		4,041
<b>798,971</b>	<b>Cost of Services</b>		<b>586,628</b>
(91,584)	Other Income		(15,105)
22,856	Financing & Investment Income & Expenditure	9	13,302
(579,500)	Requisitions from Members Authorities	14	(579,500)
<b>150,743</b>	<b>(Surplus) or deficit on the provision of services</b>		<b>5,325</b>
(393,000)	Actuarial (Gains) or losses on pension assets and liabilities	16a	446,000
<b>(393,000)</b>	<b>Other Comprehensive Income &amp; Expenditure</b>		<b>446,000</b>
<b>(242,257)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>		<b>451,325</b>

## **Expenditure Funding Analysis for the year ended 31 March 2017**

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committees financial performance on a funding basis and the (surplus) or deficit on the provision of service in the Comprehensive Income and Expenditure statement.

<b>2016/17</b>	<b>(Surplus)/Deficit for Year</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting basis</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 31st March 2017	(29,754)			(29,754)
Employee Statutory Adjustment		3,079		3,079
Pension Cost			16,000	16,000
Pension Interest			16,000	16,000
<b>(Surplus) or deficit on the provision of service</b>				<b>5,325</b>

<b>2015/16</b>	<b>(Surplus)/Deficit for Year</b>	<b>Net Expenditure Chargeable to the General Fund</b>	<b>Adjustments between Funding and Accounting basis</b>	<b>Net Expenditure in the Comprehensive Income and Expenditure Statement</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 31st March 2016	(20,075)			(20,075)
Approved draw on reserves	120,001			120,001
Employee Statutory Adjustment		(2,183)		(2,183)
Pension Cost			27,000	27,000
Pension Interest			26,000	26,000
<b>(Surplus) or deficit on the provision of service</b>				<b>150,743</b>

## Balance Sheet as at 31 March 2017

The **balance sheet** shows the value as at 31 March 2017 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee 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 comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

2015/16		Note	2016/17
£			£
	<b><u>Current Assets</u></b>		
479,250	Funds held by Renfrewshire Council		433,301
23,518	Debtors and Prepayments	11	17,997
<hr/> 502,768			<hr/> 451,298
	<b><u>less Current Liabilities</u></b>		
(512,732)	Creditors And Accruals	12	(464,341)
<hr/> (9,964)	<b>Net (Liabilities)/Asset Excluding Pension</b>		<hr/> (13,043)
	<b><u>Long Term Liabilities</u></b>		
(462,000)	Pension (liability)/Asset	6b	(940,000)
<hr/> (471,964)	<b>Net (Liabilities)/Asset Including Pension</b>		<hr/> (953,043)
	<b><u>Represented by:</u></b>		
	<b><u>Useable Reserves</u></b>		
(258,487)	Balance due to Member Authorities		(288,241)
258,487	Transfer to Creditors	6a	288,241
	<b><u>Unuseable Reserves</u></b>		
(9,964)	Employee Statutory Adjustment Account	6c	(13,043)
(462,000)	Pension Reserve	6b	(940,000)
<hr/> (471,964)			<hr/> (953,043)

The audited accounts were authorised for issue on 11 September 2017.  
Balance Sheet signed by:

**Alan Russell CPFA**  
Treasurer  
11 September 2017

## **Cash flow Statement for the year ended 31 March 2017**

This statement shows the changes in cash and cash equivalents during the year. It shows how the Joint Committee generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Joint Committee are funded by way of requisition income or from the recipients of services provided. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Joint Committee's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is, borrowing) to the Joint Committee.

<b>2015/16</b>		<b>2016/17</b>
<b>£</b>		<b>£</b>
	<b>Operating Activities</b>	
	<b>Cash Inflows</b>	
(621,916)	Other receipts from operating activities	(716,506)
(3,144)	Interest received	(2,698)
<b>(625,060)</b>	<b>Cash inflows generated from operating activities</b>	<b>(719,204)</b>
	<b>Cash Outflows</b>	
329,956	Cash paid to and on behalf of employees	348,657
260,410	Cash paid to suppliers for goods and services	349,999
60,714	Other payments for operating activities	66,496
<b>651,080</b>	<b>Cash outflows generated from operating activities</b>	<b>765,152</b>
<b>26,020</b>	<b>Net (increase)/decrease in cash and cash equivalents</b>	<b>45,948</b>
505,270	Cash and cash equivalents at the beginning of the reporting period - short term deposits with Renfrewshire Council	479,250
479,250	Cash and cash equivalents at the end of the reporting period - short term deposits with Renfrewshire Council	433,302
<b>26,020</b>	<b>Net cash outflow in cash and cash equivalents in year</b>	<b>45,948</b>

## **Note 1 Summary of Significant Accounting Policies**

The Financial Statements for the year ended 31 March 2017 have been prepared in accordance with proper accounting practice as per section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) and the Service Reporting Code of Practice for Local Authorities 2016/17, (SeRCOP) supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Joint Committee and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

The following accounting concepts have been considered in the application of accounting policies:

**Accruals basis** - the accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which payment is made or income received.

**Going concern** - the going concern concept assumes that the Joint Committee will continue in existence for the foreseeable future.

**Understandability** – users of the financial statements are assumed to have a reasonable knowledge of accounting and local government.

**Relevance** – the information in the financial statements is useful for assessing Joint Committee's stewardship of public funds and for making economic decisions.

**Materiality** - information is included in the financial statements where the information is of such significance that it could influence the decisions or assessments of users of the information.

**Reliability** – information included in the financial statements faithfully represents the substance of transactions, is free from bias and material error, is complete within the bounds of materiality and cost, and has been prudently prepared.

**Primacy of legislative requirements** - legislative requirements have priority over accounting principles in the event of conflict between legislation and the Accounting Code.

The accounts have been prepared under the historic cost convention. The following accounting policies used in the preparation of the statements have been reviewed in line with changes made to the Accounting Code following the introduction of International Financial Reporting Standards.

### **Accruals of Expenditure and Income**

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- i. Revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- ii. Revenue from the provision of services is recognised when the Joint Committee can measure reliably the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee.
- iii. Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

- iv. Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- v. Suppliers invoices paid in the two weeks following the year-end are accrued together with specific accruals in respect of further material items provided the goods or services were received by the Balance Sheet date.

### **Cash and Cash Equivalents**

Cash is defined as cash in hand and deposits repayable on demand less overdrafts repayable on demand.

### **Contingent Assets and Liabilities**

Contingent assets and liabilities are not recognised in the financial statements, but are disclosed as a note to the accounts where they are deemed material.

### **Employee Benefits**

#### Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date 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; and which employees may carry forward into the next financial year.

#### Termination benefits

Termination benefits are amounts payable as a result of a decision by the Joint Committee to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy. They are charged on an accruals basis to the Employee Costs line in the Comprehensive Income and Expenditure Statement when the Joint Committee is demonstrably committed to either terminating the employment of an officer or making an offer to encourage voluntary redundancy. The Joint Committee is only demonstrably committed to a termination when it has a detailed formal plan for the termination and it is without realistic possibility of withdrawal; and agreement to the termination has been granted by the Joint Committee.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Revenue balances to be charged with the amount payable by the Joint Committee to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and to replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

#### Post employment benefits

The Joint Committee participates in the Local Government Pension Scheme which is administered by the Strathclyde Pension Fund. The Local Government Pension Scheme is accounted for as a defined benefit scheme, and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS 19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the giving will be many years into the future.

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in the Strathclyde Pension Fund and a pension reserve. The Comprehensive Income and Expenditure Statement also recognises changes during the year in the pension asset or liability.

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees. Liabilities are discounted to their value at current prices using a discount rate based on the current rate of return available on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

Note 16 to the Core Financial Statements provides further information.

#### **Events after the Balance Sheet date**

Events after the balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statements are authorised for issue. There are two types of events:

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period, and the Statements are adjusted to reflect such events
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 5 provides further information.

#### **Prior Period Adjustments**

Where there has been a change in accounting policy, that change will be applied retrospectively, that is, prior period figures will be restated unless the Code specifies transitional provisions that shall be followed. Where there has been a change in accounting estimate, that change will be applied prospectively, that is, prior period figures will not be restated. Where a material misstatement or omission has been discovered relating to a prior period, that misstatement or omission will be restated unless it is impracticable to do so.

#### **Government Grants and other Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Joint Committee when there is reasonable assurance that:

- the Joint Committee will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Joint Committee are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Monies advanced as grants and contributions are carried in the Balance Sheet as creditors.

#### **Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.



## **Glasgow & the Clyde Valley Strategic Development Planning Authority Annual Accounts 2016/17**

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. The Joint Committee is not party to any finance leases.

### ***Operating Leases***

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg, there is a rent-free period at the commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

### **Property, Plant and Equipment**

Glasgow & the Clyde Valley Strategic Development Planning Authority is a Joint Committee as constituted under s106(1) of the Local Government (Scotland) Act 1973. The Joint Committee has no legal power to hold assets. Any cash assets held are matched by an equivalent creditor balance.

### **Provisions**

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that Glasgow and the Clyde Valley Strategic Development Planning Authority becomes aware of the obligation, and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Joint Committee settles the obligation.

### **Reserves**

The Joint Committee has three reserve funds. The Revenue Reserve contains any balance of requisition income from members of the Joint Committee.

The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Joint Committee share of actuarial gains and losses in the Strathclyde Pension Fund and the change in the Joint Committee's share of the Pension Fund net liability chargeable to the Income and Expenditure Account.

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the Revenue Reserve from accruing for short term accumulating absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate. This means that where employees' full holiday entitlement, time in lieu or credit flexi-time balance has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements require that the impact of such accrued expenditure on the Revenue Reserve is neutralised by transfers to or from the Employee Statutory Adjustment Account.

### **VAT**

Income and Expenditure excludes any amount relating to Value Added Tax (VAT), as all VAT is payable to HM Revenue & Customs and all VAT is recoverable from them.

## **Note 2 Accounting Standards Issued not Adopted**

There are no accounting standards relevant to the financial statements of the Joint Committee which have not been adopted.

## **Note 3 Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 1, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made this is referred to in the relevant note to the core financial statements; however a summary of those with the most significant effect is detailed below.

Leases	An analysis of the terms of the lease for the office accommodation at West Regent Street leased by the Joint Committee has concluded it is an operating lease. Note 10 provides further information.
--------	--

## **Note 4 Assumptions made about the future**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Balance Sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

<b>Item</b>	<b>Uncertainties</b>	<b>Effect if Results differ from Assumption</b>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £0.580 million. However, the assumptions interact in complex ways. During 2016/17, the appointed actuaries advised that the net pension liability had increased by £0.446 million attributable to updating of the financial assumptions.

## **Note 5 Events after the balance sheet date**

Events taking place after the authorised for issue date per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non adjusting events.

## **Note 6 Details of Movement in Reserves**

### **a. Revenue Reserve**

<b>2015/16</b>		<b>2016/17</b>
<b>£</b>		<b>£</b>
(358,414)	Balance as at 1 April	(258,487)
(53,000)	Transfer to pension reserve	(32,000)
2,184	Transfer to employee statutory adjustment account	(3,079)
-	Transfers to or (from) other statutory reserves	-
150,743	(Surplus) or Deficit on provision of services (from the Comprehensive Income & Expenditure Account)	5,325
<b>(258,487)</b>	<b>Balance as at 31 March</b>	<b>(288,241)</b>

This represents the excess of member authority requisitions over expenditure in any one year and is shown as payable to the member authorities

### **b. Pension Reserve**

<b>2015/16</b>		<b>2016/17</b>
<b>£</b>		<b>£</b>
(802,000)	Balance as at 1 April	(462,000)
393,000	Actuarial Gains and Losses (see note 16)	(446,000)
(53,000)	Net additional amount required by statute and non-statutory proper practices to be taken into account when determining the surplus or deficit on the revenue reserves for the year	(32,000)
<b>(462,000)</b>	<b>Balance as at 31 March</b>	<b>(940,000)</b>

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Joint Committee accounts for post-employment benefits in the **comprehensive income and expenditure statement** as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Joint Committee makes employer's contributions to pension funds. The credit balance on the Pension Reserve shows a moderate excess in the benefits earned by past and current employees and the Joint Committee's share of the Strathclyde Pension Fund resources available to meet them.

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

**c. Employee Statutory Adjustment Account**

2015/16		2016/17
£		£
(12,148)	Balance as at 1 April	(9,964)
12,148	Reversal of prior year accrual for short-term accumulating compensated absences	9,964
(9,964)	Recognition of the accrual for short-term accumulating compensating absences at 31 March	(13,043)
<b>(9,964)</b>	<b>Balance as at 31 March</b>	<b>(13,043)</b>

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for short-term accumulating compensated absences at the end of the financial year. Generally accepted accounting practices require that all short-term employee benefits, including accumulating compensated absences, should be recognised as a cost in the accounts for the year to which they relate. This means that where employees' full holiday entitlement, time in lieu or credit flexi-time balance has not been taken by the financial year-end, the cost of the untaken days or time is calculated and recorded as an accrued expense. However, statutory arrangements require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from the Employee Statutory Adjustment Account.

**Note 7 Reconciliation of the Balance on the Comprehensive Income and Expenditure Statement to the Movement in Reserves Statement**

The surplus for the year on the Revenue Reserves was £35,079 greater than the Comprehensive Income and Expenditure Statement result. The table below gives a breakdown of the differences between the income and expenditure included in the Joint Committee's Comprehensive Income and Expenditure Statement in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2015/16		2016/17
£		£
	<b>Amounts to be included in the Comprehensive Income and Expenditure Statement but required by statute to be excluded when determining the Movement in Reserves Statement</b>	
(105,000)	Net charges made for retirement benefits in accordance with IAS19	(89,000)
2,184	Net charges for employment short-term accumulating absences	(3,079)
<b>(102,816)</b>		<b>(92,079)</b>
	<b>Amounts not included in the Comprehensive Income and Expenditure Statement but required to be included by statute when determining the Movement in Reserves Statement</b>	
52,000	Employers contributions payable to the Strathclyde Pension Fund	57,000
<b>(50,816)</b>	<b>Net additional amount required to be debited or credited to the Revenue Reserves balance for the year</b>	<b>(35,079)</b>

## **Note 8 Green Network Partnership**

### **Overview**

The Glasgow Clyde Valley Green Network Partnership (GCVGNP) was formed in 2006 to develop a co-ordinated approach that will deliver major improvement in the scale and quality of green network provision across Glasgow Clyde Valley.

There is a strong relationship between the GCVSDPA and the GCVGNP: The SDP manager and assistant manager are Chair and Vice Chair of the GNP Board; the GCVSDPA Joint Committee acts for its constituent local authorities to agree local authority funding to support the GNP Business Plan; the GCVSDPA Joint Committee approves the GNP business plan and revenue estimates, in respect of local authority contributions only; progress against business plan targets are monitored annually by the Joint Committee; the executive team of the SDP and GNP share offices in West Regent Street, Glasgow.

As well as the SDP manager, the GCVGNP board is comprised of senior employees from the eight local authorities and four government agencies (Forestry Commission Scotland, Scottish National Heritage, Scottish Environmental Protection Agency and Glasgow Centre for Population Health). The relationship between the GCVSDPA and the GCVGNP is not a joint arrangement and so outside the scope of IFRS 11 (Joint Arrangements).

### **Financial Performance**

#### **Revenue**

The GNP has returned a deficit of £29,639 (2015-16 - £15,724 deficit), against a budgeted breakeven position. The deficit is a result of the GNP drawing down £30,308 from reserves to fund projects, as approved by the partnership board, in order to ensure that reserves are being efficiently utilised. The core operation returned a minor surplus of £669 for the financial year.

The GNP is a significant regional component of the Central Scotland Green Network (CSGN). As a result the GNP secures additional funding for various projects related to the CSGN. The total project expenditure by the GNP during 2016-17 was £212,262 (2015-16, £226,884). The GNP has been a key partner in the study and planning of the development of the Seven Lochs Wetland Park resulting in the continuing significant levels of project expenditure.

The Green Network partners have contributed funding in the following proportions to enable The Partnership to carry out its objectives.

<b>2015/16</b>			<b>2016/17</b>
<b>£</b>	<b>Council</b>	<b>Percentage</b>	<b>£</b>
5,589	East Dunbartonshire	3.2%	5,589
4,758	East Renfrewshire	2.7%	4,758
31,019	Glasgow City	17.6%	31,019
4,322	Inverclyde	2.4%	4,322
17,306	North Lanarkshire	9.8%	17,306
9,040	Renfrewshire	5.1%	9,040
16,497	South Lanarkshire	9.3%	16,497
4,855	West Dunbartonshire	2.8%	4,855
<b>93,386</b>	<b>Funding From Authorities Represented by GCVSDPA</b>	<b>52.9%</b>	<b>93,386</b>
	<b>Other Government Agencies</b>		
37,354	Forestry Commission	18.7%	32,955
14,008	Glasgow Centre for Population Health	7.9%	14,008
4,669	Scottish Environmental Protection Agency	2.6%	4,669
36,695	Scottish National Heritage	17.9%	31,514
<b>92,726</b>	<b>Total From Other Government Agencies</b>	<b>47.1%</b>	<b>83,146</b>
<b>186,112</b>	<b>TOTAL</b>	<b>100.0%</b>	<b>176,532</b>

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

### Capital and Reserves

The GCVGNP does not have legal powers necessary to hold assets therefore it has no capital spend. The Partnership retains financial reserves to offset any liabilities of the Partnership. The table below shows the value of the Partnerships reserves at the 31 March 2017. This is analysed into usable reserves, which has been derived from partnership funding and can be used to fund expenditure, and unusable reserves, which cannot be used to fund expenditure.

2015/16		2016/17
	<b><u>Reserves Represented by:</u></b>	
	<b>Useable Reserves</b>	
(123,761)	Balance due to Partnership Members	(94,122)
	<b>Unuseable Reserves</b>	
(7,435)	Employee Statutory Adjustment Account	(3,498)
(230,000)	Pension Reserve	(239,000)
<u>(361,196)</u>		<u>(336,620)</u>

### Note 9 Financing & Investment Income

2015/16 £		2016/17 £
(3,144)	Interest on Balances	(2,698)
26,000	Pension Interest Cost	16,000
<u>22,856</u>	<b>Total Financing &amp; Investment Income</b>	<u>13,302</u>

### Note 10 Operating Leases

The Joint Committee has extended the operating lease on the office accommodation at West Regent Street in Glasgow until October 2019. The lease was extended in October 2016 for a term of 3 years, with a tenant only break option which allows the extended lease to be terminated by the Joint Committee without penalty one year after the commencement of the extended lease period. Twenty five percent of the accommodation costs are paid by The Green Network Partnership. The expenditure charged in year to the Comprehensive Income and Expenditure Statement was £29,250 (2015/16 £29,250). The cost of the total lease agreement, including the proportion paid by The Green Network Partnership is detailed below:

2015/16 £		2016/17 £
	Future Minimum Lease Payments	
16,250	- not later than one year	44,604
	- later than one year and not later than five years	70,230
-	- later than five years	-
<u>16,250</u>		<u>114,834</u>

## **Note 11 Debtors**

2015/16 £		2016/17 £
-	Scottish Government	6,851
23,518	Other entities and individuals	11,146
<b>23,518</b>	<b>Total short term debtors</b>	<b>17,997</b>

## **Note 12 Creditors**

2015/16 £		2016/17 £
258,487	Other local authorities	288,241
9,964	Short term accumulating absences	13,043
23,624	Accrued payrolls	25,099
202,840	Studies funding	133,689
15,000	Income in Advance	-
2,817	Other entities and individuals	4,269
<b>512,732</b>	<b>Total short term creditors</b>	<b>464,341</b>

## **Note 13 Transfer to Creditors**

2015/16 £		2016/17 £
<b>(258,487)</b>	In terms of Section 58 of the Local Government (Scotland) Act 1973, Joint Committees have no specific powers to retain reserves to meet future funding requirements and the amount due to member authorities has been transferred to creditors.	<b>(288,241)</b>

## **Note 14 Related parties**

The Joint Committee's related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint Committee 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 Joint Committee.

The member authorities of the Joint Committee have contributed requisitions in the following proportions to enable the Joint Committee to carry out its objectives. The Joint Committee in turn pays Renfrewshire Council for support services.

The service level agreement for these services is £23,200 (2015/16 £23,200). A proportion of the cost is paid by the Green Network Partnership. The amount paid in respect of these services by the GCVSDPA for the year ended 31 March 2017 was £18,900 (2015/16 £18,900).



**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

<b>2015/16</b>			<b>2016/17</b>
<b>£</b>	<b>Council</b>	<b>Percentage</b>	<b>£</b>
72,437.50	East Dunbartonshire	12.5%	72,437.50
72,437.50	East Renfrewshire	12.5%	72,437.50
72,437.50	Glasgow City	12.5%	72,437.50
72,437.50	Inverclyde	12.5%	72,437.50
72,437.50	North Lanarkshire	12.5%	72,437.50
72,437.50	Renfrewshire	12.5%	72,437.50
72,437.50	South Lanarkshire	12.5%	72,437.50
72,437.50	West Dunbartonshire	12.5%	72,437.50
<b>579,500.00</b>	<b>GCVSDPA Funding</b>	<b>100.00%</b>	<b>579,500.00</b>

## **Note 15 External audit costs**

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's *Code of Audit Practice* in 2016-2017 were £2,770 (£2,820 in 2015/16). There were no fees paid to Audit Scotland in respect of any other services.

## **Note 16 Retirement Benefits**

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The scheme for employees is the Strathclyde Pension Fund which is administered by Glasgow City Council. This is a "funded" defined benefit final salary scheme meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pensions liability with investment assets.

### **16a. Transactions relating to retirement benefits**

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.



**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

The following transactions have been made in the accounting statements in 2016-2017:

2015/16 £		Note	2016/17 £
<b>Comprehensive Income &amp; Expenditure Statement</b>			
<b>Cost of Services</b>			
79,000	Current service cost	(i)	73,000
-	Past service cost/(gain)	(ii)	-
-	Settlements & curtailments	(iii)	-
<u>79,000</u>			<u>73,000</u>
<b>Financing &amp; Investment Income &amp; Expenditure</b>			
26,000	Net interest	(iv)	16,000
<u>105,000</u>	<b>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</b>		<u>89,000</u>
<b>Other post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>			
18,000	Return on assets excluding amounts included in net interest		(591,000)
(411,000)	Actuarial (gains) and losses arising on changes in financial assumptions		1,037,000
<u>(393,000)</u>	<b>Total Actuarial (gain) or loss</b>		<u>446,000</u>
<u>(288,000)</u>	<b>Total post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		<u>535,000</u>
<b>Movement in Reserves Statement</b>			
		(v)	
(340,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code		478,000
<u>52,000</u>	<b>Employers Contributions paid to Strathclyde Pension Fund</b>		<u>57,000</u>

Notes

- i. Current service cost is the cost of future entitlements to pension payments to current employees
- ii. Past service cost is the cost of discretionary pension benefits to former employees who retired on the grounds of efficiency etc or savings made for commuting part of the pension for additional cash.
- iii. Curtailments are the pension costs to employees retired under redundancy terms.
- iv. The net Interest Cost is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.
- v. The Movement on Pension Reserve represents the net change in the pension liability recognised in the Movement in Reserves Statement for pension payments made by the Joint Committee to the Strathclyde Pension Fund during the year (£32,000).

The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2016/17 these amounted to £8,424 (2015/16 £8,365).

In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial losses of £0.446 million are included in the Movement in Reserves Statement (2015/16 £0.393 million gain).

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

**16b. Assets and liabilities in relation to retirement benefits**

A reconciliation of the Joint Committee's share of the **present** value of the Strathclyde Pension Fund's **liabilities** is as follows:

<b>2015/16</b>		<b>2016/17</b>
<b>£000</b>		<b>£000</b>
3,713	Opening present value	3,454
79	Current service cost	73
119	Interest Cost	121
20	Employee Contributions	22
	Remeasurement (gains)/losses:	
(411)	Actuarial (gains)/losses arising from changes in financial assumptions	1,037
(66)	Benefits Paid	(68)
<b>3,454</b>	<b>Closing present value of scheme liabilities</b>	<b>4,639</b>

A reconciliation of the Joint Committee's share of the **fair** value of the Strathclyde Pension Fund's **assets** is as follows:

<b>2015/16</b>		<b>2016/17</b>
<b>£000</b>		<b>£000</b>
2,911	Opening Fair Value	2,992
93	Interest Income	105
	Remeasurement gain/(loss):	
(18)	Return on assets excluding amounts included in net interest	591
52	Contributions from employer	57
20	Contributions from employee	22
(66)	Benefits Paid	(68)
<b>2,992</b>	<b>Closing fair value of scheme assets</b>	<b>3,699</b>

**16c. Fund history**

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Present Value of Liabilities	(2,418)	(2,693)	(3,713)	(3,454)	(4,639)
Fair value of assets	2,152	2,337	2,911	2,992	3,699
<b>Surplus/(deficit) in the scheme</b>	<b>(266)</b>	<b>(356)</b>	<b>(802)</b>	<b>(462)</b>	<b>(940)</b>

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The net liability of £0.940 million has a significant impact on the net worth of the Joint Committee as recorded in the balance sheet. Any deficit on the Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

The total contributions expected to be made by the Joint Committee to Strathclyde Pension Fund in the year to 31 March 2018 is £0.057 million

**16d. Basis for estimating assets and liabilities**

The Joint Committee's share of the liabilities of the Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of Actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2014.

The principal assumptions used by the actuary have been:

2015/16	Financial Year:	2016/17
	<b>Mortality assumptions</b>	
	Longevity at 65 for current pensioners	
22.1 years	• Men	22.1 years
23.6 years	• Women	23.6 years
	Longevity at 65 for Future pensioners	
24.8 years	• Men	24.8 years
26.2 years	• Women	26.2 years
4.2%	Rate of increase in salaries	4.4%
2.2%	Rate of increase in pensions	2.4%
3.5%	Rate for discounting scheme liabilities	2.6%
	Take-up of option to convert annual pension into retirement lump sum:	
50.0%	For Pre April 2009 Service	50.0%
75.0%	Post April 2009 Service	75.0%

**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2016/17**

The pension scheme's assets consist of the following categories, by proportion of the total assets held:

2015/16			2016/17
£000		Percentage	£000
	<b>Equity Securities</b>		
281	Consumer	9.5%	352
224	Manufacturing	7.5%	278
88	Energy and Utilities	3.0%	110
206	Financial Institutions	6.9%	257
121	Health and Care	4.1%	150
171	Information Technology	5.8%	213
<b>1,091</b>	<b>Total Equity</b>	<b>36.8%</b>	<b>1,360</b>
	<b>Private Equity</b>		
291	All	8.2%	305
<b>291</b>	<b>Total Private Equity</b>	<b>8.2%</b>	<b>305</b>
	<b>Real Estate</b>		
321	UK Property	12.1%	446
-	Overseas Property	0.0%	-
<b>321</b>	<b>Total Real Estate</b>	<b>12.1%</b>	<b>446</b>
	<b>Investment Funds &amp; Unit Trusts</b>		
777	Equities	32.1%	1,189
365	Bonds	5.6%	208
1	Commodities	0.1%	2
-	Infrastructure	0.0%	-
42	Other	1.4%	50
<b>1,185</b>	<b>Total Investment Funds &amp; Unit Trusts</b>	<b>39.2%</b>	<b>1,449</b>
	<b>Derivatives</b>		
-	Inflation	0.0%	-
-	Interest Rate	0.0%	-
-	Foreign Exchange	0.0%	-
1	Other	0.0%	-
<b>1</b>	<b>Total Derivatives</b>	<b>0.0%</b>	<b>-</b>
	<b>Cash &amp; Cash Equivalents</b>		
103	All	3.8%	139
<b>103</b>	<b>Total Cash &amp; Cash Equivalents</b>	<b>3.8%</b>	<b>139</b>
<b>2,992</b>	<b>Total</b>	<b>100%</b>	<b>3,699</b>

**16e. Impact on cashflows**

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions has been set at 19.3% for 2016-17 and 2017-18.

**Note 17 Contingent Liabilities and Assets**

As at the Balance Sheet date the Joint Committee had no material contingent assets or liabilities.

**GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING  
AUTHORITY JOINT COMMITTEE**

**To:** Joint Committee

**On:** 11 September 2017

---

**Report by:** The Treasurer and the Strategic Development Plan Manager

---

**Heading:** Revenue Budget Monitoring Report to 18<sup>th</sup> August 2017

---

**1. Summary**

1.1 Gross Expenditure and income are breakeven. This is summarised in point 4.

---

**2 Recommendations**

2.1 It is recommended that members consider the report.

---

**3 Budget Adjustments Since Last Report**

3.1 There have been no budget adjustments since the start of the financial year.

---

**4 Budget Performance**

<b>4.1 Current Position</b>	<b>Breakeven</b>
<i>Previously Reported</i>	<i>N/A</i>

The breakeven position is due to an underspend of £3,000 within employee costs, which has been offset by an overspend of £3,000 within Supplies and Services.

## **4.2 Projected Year End Position**

At this stage in the financial year, the projected year end position is an underspend of £5,000 against a budgeted break even position. It should be noted that should any expenditure be required over the course of the year to progress the Strategic Development Plan then this will be funded in the first instance from this underspend rather than a draw down from earmarked reserves.

---

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2017/18**  
**1st April 2017 to 18th August 2017**

**JOINT COMMITTEE : GLASGOW & CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

Description (1)	Agreed Annual Budget (2) £000's	Year to Date Budget (3) £000's	Year to Date Actual (4) £000's	Adjustments (5) £000's	Revised Actual (6) = (4 + 5) £000's	Budget Variance		
						£000's	(7)	%
Employee Costs	430	137	134	0	134	3	2.2%	underspend
Property Costs	68	30	30	0	30	0	0.0%	breakeven
Supplies & Services	43	24	27	0	27	(3)	-12.5%	overspend
Contractors and Others	9	2	2	0	2	0	0.0%	breakeven
Transport & Plant Costs	0	0	0	0	0	0	0.0%	breakeven
Administration Costs	42	6	6	0	6	0	0.0%	breakeven
Payments to Other Bodies	7	1	0	1	1	0	0.0%	breakeven
<b>GROSS EXPENDITURE</b>	<b>599</b>	<b>200</b>	<b>199</b>	<b>1</b>	<b>200</b>	<b>0</b>	<b>0.0%</b>	<b>breakeven</b>
Contributions from Local Authorities	(580)	(290)	(290)	0	(290)	0	0.0%	breakeven
Other Income	(19)	0	0	0	0	0	0.0%	breakeven
<b>INCOME</b>	<b>(599)</b>	<b>(290)</b>	<b>(290)</b>	<b>0</b>	<b>(290)</b>	<b>0</b>	<b>0.0%</b>	<b>breakeven</b>
<b>TRANSFER (TO)/FROM RESERVES</b>	<b>(0)</b>	<b>(90)</b>	<b>(91)</b>	<b>1</b>	<b>(90)</b>	<b>0</b>	<b>0.0%</b>	<b>breakeven</b>

£000's

Bottom Line Position to 18th August 2017 is breakeven of  
Anticipated Year End Budget Position is an underspend of

	0
	5
Opening Reserves	(288)
Projected Increase in Reserves	(5)
Projected Closing Reserves	(293)





**GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING  
AUTHORITY JOINT COMMITTEE**

**To:** Joint Committee

**On:** 11 September 2017

---

**Report by:** The Treasurer and the Strategic Development Plan Manager

---

**Heading:** Corporate Purchasing Card Expenditure to 18<sup>th</sup> August 2017

---

**1. Summary**

- 1.1 At the Joint Committee meeting of 20<sup>th</sup> June 2016, members requested that a list of expenses incurred through corporate procurement card payment be submitted to the Joint Committee on a quarterly basis.
- 1.2 A list of expenses by type and employee for the period 1<sup>st</sup> April 2017 to 18<sup>th</sup> August 2017 is provided at section 3.
- 

**2 Recommendations**

- 2.1 It is recommended that members note the report.
- 

**3 Corporate Procurement Card Expenditure**

- 3.1 In the period from 1<sup>st</sup> April 2017 to 18<sup>th</sup> August 2017 a total of £2,803.31 was spent by Corporate Procurement Card. Details can be found in the table below.
-



**CPC Expenditure for the Period 1st April 2017 to 18th August 2017**

	Travel & Subsistence	Operational Supplies and Services	Total
SDP Manager	£222.89		£222.89
Assistant SDP Manager	£23.80		£23.80
Strategic Planner	£318.66		£318.66
Operational Supplies and Services		£2,237.96	£2,237.96
<b>Total</b>	<b>£565.35</b>	<b>£2,237.96</b>	<b>£2,803.31</b>





---

**To:** Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee

**On:** 11 September 2017

---

**Report by:** The Clerk to the Joint Committee

---

**Heading:** The Review of Standing Orders Relating to Contracts

---

## 1. Summary

- 1.1 The purpose of this report is to seek approval for the existing Standing Orders Relating to Contracts to be revoked and replaced by the revised Standing Orders Relating to Contracts forming the Appendix to this report.
  - 1.2 The revised Standing Orders have been developed following a detailed review in light of the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; the Concession Contracts (Scotland) Regulations 2016; and statutory guidance made under and in terms of the Procurement Reform (Scotland) Act 2014.
  - 1.3 Some of the key changes to the Standing Orders Relating to Contracts are:
    - The standing orders have been changed to reflect the requirements of the new legislation, to reflect best practice and to address the Joint Committee's past and likely future contract requirements.
    - The full range of procedures available under the new legislation has been included.
    - Rules applying to contracts for social care (and certain other specific services) have been developed.
    - Some re-ordering and clarifications have been made.
-

## 2. Recommendations

2.1 The Joint Committee is recommended to:

- a) Revoke the existing Standing Orders Relating to Contracts;
  - b) Approve the revised Standing Orders Relating to Contracts attached as the Appendix to this report; and
  - c) Agree that the revocation of the existing Standing Orders and approval of the revised Standing Orders shall take effect on the first working day following this meeting of the Joint Committee.
- 

## 3. Background

3.1 The Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee is required to have Standing Orders Relating to Contracts in terms of section 81 of the Local Government (Scotland) Act 1973.

3.2 It has been noted in the course of a routine audit that there was a need to review the Standing Orders Relating to Contracts in light of recent legislation and guidance, including the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; the Concession Contracts (Scotland) Regulations 2016; and statutory guidance made under and in terms of the Procurement Reform (Scotland) Act 2014.

---

## Implications of the Report

- 1. **Financial** – none.
- 2. **HR & Organisational Development** – none.
- 3. **Community Planning** – none.
- 4. **Legal** - to reflect best practice and to address the Joint Committee's past and likely future contract requirements.
- 5. **Property/Assets** – none.
- 6. **Information Technology** – none.
- 7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation,

the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – none.
9. **Procurement** – none.
10. **Risk** – none.
11. **Privacy Impact** – none.
12. **Cosla Policy Position** – not applicable.

---

### **List of Background Papers**

None

---

**Author:** Lynn Mitchell, Managing Solicitor, Renfrewshire Council  
Email: [lynn.mitchell@renfrewshire.gov.uk](mailto:lynn.mitchell@renfrewshire.gov.uk)  
Tel: 0141 618 7163





**Glasgow and the Clyde Valley**  
**Strategic Development Planning**  
**Authority Joint Committee**

**Standing Orders Relating to**  
**Contracts 2017**

# **Index**

1. Introduction
2. Interpretation
3. Suspension, Variation and Revocation of Standing Orders
4. Financial Provision
5. Equalities and Prevention of Discrimination
6. Form of Contract
7. Valuing the Contract
8. General Powers and Duties of the Strategic Development Plan Manager
9. Exemptions and Special Arrangements
10. Publicity for Tenders and Contracts
11. Procedures
12. Restricted Procedure
13. Open Procedure
14. Negotiated Procedure without Prior Publication of a Notice
15. Competitive Procedure with Negotiation
16. Competitive Dialogue Procedure
17. Innovation Partnerships
18. Quick Quotes
19. Extensions to Existing Contracts
20. E-Procurement
21. Opening of Tenders

22. Electronic Auctions
23. Submission of In-house Tenders
24. Technical and Financial Checks
25. Checking of Tenders and Post Tender Negotiations
26. Acceptance and Giving Reasons for Decisions
27. Content of Reports on Contracts
28. Nomination of a Sub-Contractor
29. Framework Agreements
30. Dynamic Purchasing Systems
31. Concessions
32. Design Contests
33. Specification of Standards
34. Assignment, Sub-Contracting, Termination and Modification
35. Liquidated and Ascertained Damages
36. Prevention of Corruption and Corrupt or Illegal Practices
37. Health and Safety
38. Schedule of Rates Contracts
39. Sustainable Procurement
40. Consultants
41. Records and Registers

# **Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee**

## **Standing Orders Relating to Contracts**

### **1. Introduction**

1.1 Glasgow and the Clyde Valley Strategic Development Planning Authority Joint Committee (“the Joint Committee”) is a Strategic Development Plan Authority in terms of The Strategic Development Planning Authority Designation (No. 1) (Scotland) Order 2008) appointed by East Dunbartonshire, East Renfrewshire, City of Glasgow, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire, and West Dunbartonshire Councils to exercise certain of their functions with regard to the Clyde Valley Strategic Development Planning Authority area, more particularly set out in a Minute of Agreement between the said eight Councils dated 1<sup>st</sup>, 8<sup>th</sup> and 17<sup>th</sup> August 2013 and 11<sup>th</sup> and 21<sup>st</sup> February, 17<sup>th</sup> March and 16<sup>th</sup> and 20<sup>th</sup> July all 2014. In terms of Clauses 2.6 and 2.72 of the said Agreement the Joint Committee was given the power to regulate its own procedures including the adoption of Standing Orders with respect to contracts.

1.2 These standing orders are made under Section 81 of the Local Government (Scotland) Act, 1973 and shall apply to the making of all contracts by or on behalf of the Joint Committee. The standing orders are subject to any overriding requirements of:-

- a EU Directive 2014/24/EU on public procurement; EU Directive 2014/23/EU on the award of concession contracts; and any Scottish legislation implementing these Directives (the “EU Procurement Rules”);
- b the Procurement Reform (Scotland) Act 2014 and all regulations and guidance made under and in terms of that Act (the “Procurement Reform Rules”); and
- c the relevant provisions of the Treaty on the Functioning of the European Union particularly the principles of equal treatment, non discrimination and transparency (“the Treaty Principles”).

1.3 All contracts let by or on behalf of the Joint Committee, regardless of whether any such contracts are otherwise exempt from the application of these standing orders, shall be subject to an obligation to seek best value and to be able to demonstrate fairness, non-discrimination, equal treatment and transparency in the contract procedure chosen to all parties having an interest in that procedure.

### **2. Interpretation**

- 2.1 For the purposes of these standing orders the following words and expressions shall have the meanings given to them in this standing order:
- a any reference to “a signature” or “signed” includes reference to a signature or being signed using electronic means;
  - b “electronic means” means electronic equipment for the processing (including digital compression) and storage of data which is transmitted, conveyed and received by radio, by wire, by optical means or by other electromagnetic means;
  - c “written” or “in writing” means any expression consisting of words or figures which can be read, reproduced and subsequently communicated. It may include information which is transmitted and stored by electronic means;
  - d “the Clerk” means the Head of Corporate Governance of Renfrewshire Council or his nominee;
  - e “Contract Documents” means the documents to be used in any tendering procedure and where different those intended to form part of any contract following on from a tendering procedure. It includes, but is not restricted to, the ESPD , the invitation to tender for or to negotiate a contract, the proposed conditions of contract, the specifications or the descriptions of the goods, services or works required by the Joint Committee and any Bills of Quantities and includes any such documents or their equivalents issued using electronic means;
  - f “Health or Social Care Services” means any of the services listed in the Schedule to the Procurement (Scotland) Regulations 2016;
  - g “ESPD” means the European Single Procurement Document;
  - h “the EU Procurement Rules” is defined in standing order 1.2 a);
  - i “Member Authority” means any local authority which is a member of the Joint Committee;
  - j “Joint Committee” mean the Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973 and established for the purpose of regulating the joint discharge of the functions by the Member Authorities as set out in the aforesaid Minute of Agreement and shall, where the context permits, to include Committees and Sub-Committees of the Joint Committee.

- k “Regulated Contract” means a public contract (other than a public works contract) with an estimated value equal to or greater than £50,000; or a public works contract with an estimated value equal to or greater than £2,000,000 unless the public contract or public works contract is an excluded contract under the Procurement Reform Rules;
  - l “Regulated Procurement” means (i) any procedure carried out by the Joint Committee in relation to the award of a Regulated Contract including, in particular, the seeking of offers in relation to the contract and the selection of suppliers; and (ii) the award of a Regulated Contract by the Joint Committee;
  - m “Social and Other Specific Services” means the services listed in Schedule 3 of the Public (Contracts) Regulations 2015;
  - n “Sustainable Procurement Duty” means the duty of that name under the Procurement Reform Rules;
  - o “the Threshold” for the purpose of these standing orders refers to the threshold under Article 4 (c) of Directive 2014/24/EU (the threshold for public supply and service contracts awarded by sub-central contracting authorities). The sterling equivalent is currently £164,176, but is changed every second year on 1 January of that year. The next change is due on 1 January 2018;
  - p “the Strategic Development Plan Manager” means the officer appointed by the Joint Committee to have overall responsibility for the operational performance of the Joint Committee or his nominee;
  - q Any reference to a statute, other legislation or European Directive shall include reference to any statute, legislation or Directive amending or replacing it;
  - r Any reference to a contract shall include, where the context allows, reference to a framework agreement or a sub-contract;
- 2.2 Words imparting the masculine gender only shall include the feminine gender and vice versa.
- 2.3 Words imparting the singular number shall, except where the context otherwise requires, include the plural number and vice versa.

### **3. Suspension, Variation and Revocation of Standing Orders**

- 3.1 These standing orders may be varied or revoked by the Joint Committee. Any variation to or revocation of the standing orders will be effective on the first

working day after the conclusion of the meeting of the Joint Committee at which it was approved.

- 3.2 These standing orders or any part of them may be suspended by the Joint Committee in respect of any procurement exercise or contract on receiving a joint recommendation from the Strategic Development Plan Manager and the Clerk that there are special circumstances justifying such suspension and that it is in the interests and within the powers of the Joint Committee to do so.
- 3.3 The Clerk shall have power to vary these standing orders but only in the following circumstances:-
  - a to reflect changes in job titles, reorganisations of departments and vacancies in posts; or
  - b to change references to any piece of legislation where the legislation is repealed and to insert references to new pieces of legislation where the new pieces of legislation largely re-enact the provisions of the repealed legislation; or
  - c to change the financial values of the E.U. Threshold where referred to in these standing orders, to implement any changes in that threshold

#### **4. Financial Provision**

- 4.1 Prior to inviting offers or recommending the acceptance of offers, the Strategic Development Plan Manager will require to be satisfied that:-
  - a in the case of periodic call off contracts of a general nature, suitable general financial provision has been made or will be made in the budgets of Member Authorities; or
  - b in the case of specific one off contracts for individual authorities or bodies, specific financial provision has been approved.
- 4.2 In the case of standing order 4.1(b) above, confirmation of such approval will be required to be obtained by the Strategic Development Plan Manager in advance from the individual authority.

#### **5. Equalities and Prevention of Discrimination**

- 5.1 Tenderers must be asked to produce their equal opportunities policies before they may be shortlisted or recommended for an award of contract.
- 5.2 Before entering into a contract, the Strategic Development Plan Manager shall obtain from the contractor an assurance in writing that, to the best of the contractor's knowledge and belief, the contractor has complied with all statutory

requirements under the Equality Act 2010 and all previous legislation, regulations and statutory guidance relating to equality.

- 5.3 All contracts entered into by or on behalf of the Joint Committee shall contain a condition obliging the contractor to comply with all duties arising from the Equality Act 2010.

## **6. Form of Contract**

- 6.1 Except in circumstances where the Strategic Development Plan Manager and the Clerk agree otherwise, every contract shall be:
- a in the name of Renfrewshire Council as servicing and contracting authority for the Joint Committee;
  - b in writing;
  - c signed by the Strategic Development Plan Manager or the Clerk or other officer authorised to sign contracts; and
  - d subject to the Laws of Scotland.
- 6.2 The Contract Documents in respect of all contracts shall be prepared by the Strategic Development Plan Manager. The Strategic Development Plan Manager may also make use of Contract Documents prepared by the Scottish Government; the Crown Commercial Service, or any other agency of the UK government; Scotland Excel and all other Scottish Centres of Procurement Expertise; local authorities; and other collaborative bodies where the Joint Committee is eligible to use these Contract Documents and is permitted by those bodies to do so. It is the Strategic Development Plan Manager's responsibility to ensure that the Joint Committee is eligible to use the Contract Documents and that these are suitable for the contract.
- 6.3 All tender documents must clearly state that the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 apply to all contracts arranged by or on behalf of the Joint Committee. This is to ensure that contractors are aware that the Joint Committee or any of the Member Authorities may be required, as a matter of law, to release information to third parties that the contractor may wish to be treated as confidential.

## **7. Valuing the Contract**

- 7.1 The values stated in these standing orders are the total estimated value of the contract concerned and not the estimated annual value of the contract. Where it is likely that a supply of goods or services will be required on a continuing



basis over a number of years, for example with maintenance contracts, the Strategic Development Plan Manager shall take into account the anticipated duration of the continuing supply when estimating the value of the contract for the purposes of these standing orders.

- 7.2 It is not permitted to deliberately divide any procurement exercise or disposal into two or more contracts if the intention in doing so is to avoid the application of any financial thresholds in these standing orders or the EU Procurement Rules.
- 7.3 For the avoidance of doubt, the values stated are exclusive of any Value Added Tax that may be levied.

## **8. General Powers and Duties of the Strategic Development Plan Manager**

- 8.1 The Strategic Development Plan Manager may delegate by prior notice in writing any of his rights or obligations under these standing orders to the Clerk, the Treasurer or any Director of Renfrewshire Council as servicing and contracting authority.
- 8.2 The Strategic Development Plan Manager in consultation with the Clerk may approve guidance notes on tendering procedures for any contract or type of contract let by or on behalf of the Joint Committee. Any such guidance notes once approved shall form part of these standing orders and shall be complied with.
- 8.3 Where a contract is subject to the EU Procurement Rules, the Strategic Development Plan Manager shall ensure that consideration is given to whether the contract should be divided into lots. Where it is decided not to divide the contract into lots, the main reasons for that decision shall be indicated in the Contract Documents.
- 8.4 For every contract, the Strategic Development Plan Manager shall ensure that consideration is given to whether community benefit requirements should be included in accordance with the Procurement Reform Rules and current policy of the Joint Committee.

## **9. Exemptions and Special Arrangements**

- 9.1 Subject to standing order 1, there shall be exempted from the provisions of these standing orders any contract where:-
  - a the Joint Committee is satisfied that there are special circumstances justifying exempting the contract from standing orders or any part of them.

- b The total estimated value of the proposed contract is less than £50,000. Where the total estimated value of a proposed contract falls below £50,000 the contract shall be let in accordance with any Guidance on Contracts With a Value of Less Than £50,000, published under standing order 8.2.
- c In the opinion of the Strategic Development Plan Manager, action is urgently required to prevent danger to life, serious risk to health or damage to property. In such circumstances a report will be submitted to the Joint Committee at the first available subsequent meeting detailing both the circumstances justifying use of this exemption and the action taken. For the avoidance of doubt, when using this exemption, the Strategic Development Plan Manager shall ensure that any relevant requirements of the Treaty Principles, the EU Procurement Rules and the Procurement Reform Rules are complied with.
- d Tenders are to be invited on behalf of any consortium, or similar body, of which the Joint Committee is a member, in accordance with any method adopted by such a body, except where specific provision has been made for the application of these standing orders or any part of them to a particular consortium. However, in the event that the financial contribution by the Joint Committee to a consortium or similar body in respect of any one contract is in excess of the exemption limit in standing order 9.1 b and the contract is not being let by any local authority in terms of its own standing orders relating to contracts, the use of this exemption requires the prior approval of the Joint Committee.
- e Notwithstanding standing order 19, the contract is for the execution of works or the supply of goods, materials or other services being an extension to an existing contract and identified by the Strategic Development Plan Manager as necessary and being so urgent as not to permit the invitation of tenders; such matters to be reported to the next meeting of the Joint Committee.
- f It is a contract of employment. However, this exemption does not apply to contracts with employment agencies for the supply of staff.
- g The contract relates to the transfer, acquisition or disposal of an interest in heritable property including a licence to occupy or use heritable property.
- h The contract relates to the appointment of legal counsel and solicitors to act as the Joint Committee's Edinburgh agents. However any such contract must be let in accordance with any relevant requirements of the Procurement Reform Rules

- i In the Strategic Development Plan Manager's opinion it is essential that the contract is entered into for the settlement of any claim or litigation raised by or against the Joint Committee; such matter to be reported in the next meeting of the Joint Committee.
- j The contract is being funded by money provided by the government or a public body (including funds from the National Lottery) and the award of that money to the Joint Committee is subject to such conditions that make it impractical for the Joint Committee to comply with these standing orders in letting the contract. However, in such circumstances, any relevant requirements of the Treaty Principles, the EU Procurement Rules and the Procurement Reform Rules shall be complied with the Strategic Development Plan Manager shall submit a report to the Joint Committee in advance of the contract award explaining the procedure to be used and why these standing orders could not be complied with.
- k The contract is for the commissioning of theatrical, musical, dramatic or other artistic performances.
- l The contract is for the disposal by the Joint Committee of surplus or scrap materials and equipment previously used by the Joint Committee or any Member Authority.
- m The contract is in respect of purchases made on the Joint Committee's behalf by Scotland Excel, in which case Scotland Excel's Standing Orders relating to Contracts shall apply.
- n Where the contract is awarded under an existing Framework Contract or Arrangement to which the Joint Committee is a party or which has been established by the Joint Committee and where the Framework Contract or Arrangement has been established in conformity with these standing orders or the EU Procurement Rules, whichever is appropriate, provided that where the value of the contract so placed exceeds £50,000 the Strategic Development Plan Manager shall, as soon as reasonably practical thereafter provide a report to the Joint Committee detailing the name of the contractor to whom the contract has been awarded and the value of that contract.
- o The Strategic Development Plan Manager has elected to let the contract in accordance with the Standing Orders Relating to Contracts of a Member Authority.

9.2 These standing orders apply to contracts for Social and other Specific Services and contracts for Health or Social Care Services unless varied by the special arrangements set out in Schedule 1.

## **10. Publicity for Tenders and Contracts**

10.1 The Joint Committee is under a duty to ensure that, in relation to each contract it intends to award, the contract is given a degree of advertising which is sufficient to enable open competition and to meet the requirements of the principles of equal treatment, non discrimination and transparency. Contracts that are subject to the EU Procurement Rules must comply with the provisions relating to advertising of contracts in these Rules. For all other contracts the Joint Committee must put in place procedures to meet its obligations with regard to advertising those contracts. Accordingly the following procedures shall apply:-

- a The obligation to advertise tendering opportunities for contracts in terms of this standing order applies only to contracts for supplies or services with a value of £50,000 or more and to contracts for works with a value of £500,000 or more.
- b Contracts to which standing order 10.1 a applies shall be advertised using the Public Contracts Scotland website..
- c In addition to advertising on the Public Contracts Scotland website, the Strategic Development Plan Manager may choose to advertise the contract in any other way such as in trade journals or newspapers.
- d The Strategic Development Plan Manager shall ensure that the Joint Committee's own website contains links to the Public Contracts Scotland website.

10.2 This standing order does not apply where an exemption under standing order 9 applies; or use can be made of the Negotiated Procedure without Publication of a Notice under standing order 14; or the contract is for Social Care and other Specific Services or for Health or Social Care Services and one to which Schedule 1 applies.

## **11. Procedures**

11.1 Where the estimated value of any contract is likely to equal or exceed the thresholds for the application of the EU Procurement Rules, the Strategic Development Plan Manager shall be responsible for determining whether or not those Rules apply and may refer the matter to the Clerk who will provide assistance and guidance to the Strategic Development Plan Manager in determining whether the EU Procurement Rules apply to the contract and ensuring that the various requirements of the EU Procurement Rules are followed.

- 11.2 Where it is established that the EU Procurement Rules apply to any contract, the Strategic Development Plan Manager will be responsible for determining the appropriate procedure to be followed in terms of those Rules and shall ensure that the contract is advertised, tendered, evaluated and awarded in compliance with those Rules. The tendering procedures under the Rules are not set out in these standing orders. The procedures in these standing orders may only be used where the Joint Committee is not required to use the equivalent procedures in the EU Procurement Rules.
- 11.3 Any contract that is not required to follow a procedure set out in the EU Procurement Rules must be let in accordance with one of the procedures set out in these standing orders.
- 11.4 The procedure to be used and the reasons for selecting that procedure shall be recorded by the Strategic Development Plan Manager..
- 11.5 The ESPD shall be used in all procedures.

## **12. Restricted Procedure**

- 12.1 The Strategic Development Plan Manager may approve the use of the restricted procedure which shall be conducted in accordance with this standing order.
- 12.2 Where the Strategic Development Plan Manager approves the use of the restricted procedure, he shall issue a notice on the Public Contracts Scotland website. In addition the Strategic Development Plan Manager may also publicise the contract more widely.
- 12.3 The notice must contain the same information as would be required under the EU Procurement Rules..
- 12.4 All applicants responding to the notice issued in terms of standing order 10 shall be required to provide a completed ESPD by the date and time specified in the notice. This date and time shall be determined by the Strategic Development Plan Manager taking into account factors such as the complexity of the subject matter of the contract and the time needed to prepare the ESPD.
- 12.5 At the same time as a notice is issued in terms of standing order 12.2 the Strategic Development Plan Manager shall make the Contract Documents available electronically.
- 12.6 No contractor may be invited to tender unless they have successfully complied with the technical and financial checks in standing order 24 and have met the criteria to be invited to tender set out in the notice and Contract Documents.

- 12.7 The Strategic Development Plan Manager must select a sufficient number of applicants to be invited to tender. To ensure genuine competition the number of applicants selected shall not be fewer than five. However, in any circumstances where fewer than five applicants express an interest, all those applicants meeting the minimum selection criteria, must be invited to tender.
- 12.8 The Strategic Development Plan Manager shall send invitations to tender simultaneously to each contractor selected to tender for a contract and the invitation to tender shall be accompanied by a link to the Contract Documents which shall have been made available under standing order 12.5.
- 12.9 The invitation to tender shall also include the final date and time for the receipt of tenders by the Joint Committee and the criteria to be used in evaluating the tenders.

### **13. Open Procedure**

- 13.1 The Strategic Development Plan Manager may approve the use of the open procedure which shall be conducted in accordance with this standing order.
- 13.2 Where the Strategic Development Plan Manager approves the use of the open procedure, the Strategic Development Plan Manager shall issue a notice on the Public Contracts Scotland website. In addition, the Strategic Development Plan Manager may choose to publicise the contract more widely.
- 13.3 The notice must contain the same information as would be required under the EU Procurement Rules..
- 13.4 The date and time stated in the notice by which tenders must be received must be no sooner than 5 working days from the date the notice is published.
- 13.5 At the same time as the notice is issued in terms of standing order 13.2, the Strategic Development Plan Manager shall make the relevant Contract Documents available electronically.

### **14. Negotiated Procedure without Prior Publication of a Notice**

- 14.1 The negotiated procedure without prior publication of a notice is only available in very limited circumstances. Where it is used, a record including a full explanation as to why the Strategic Development Plan Manager considered it appropriate shall be retained.
- 14.2 Where the EU Procurement Rules do not apply, the negotiated procedure without prior publication of a notice may only be used in the circumstances stated in the Procurement Reform Rules (Regulation 6 of the Procurement (Scotland) Regulations 2016).:-

- 14.3 Where the EU Procurement Rules apply, the negotiated procedure without prior publication of a notice may only be used on any ground specified in those Rules.
- 14.4 For the purposes of these standing orders the negotiated procedure without prior publication of a notice means direct negotiations with a single contractor without competition, or further competition, with a view to awarding the contract to that contractor or extending an existing contract with that contractor.
- 14.5 Where the negotiated procedure without prior publication of a notice has been used and the estimated value of the proposed contract is £50,000 or more but does not exceed the Threshold, the contract shall be awarded by the Strategic Development Plan Manager.
- 14.6 Where the negotiated procedure without prior publication of a notice has been used and the estimated value of the proposed contract exceeds the Threshold, the contract shall be awarded by either the Strategic Development Plan Manager or the Clerk on the prior authority of the Joint Committee.
- 14.7 In all cases where negotiated procedure without prior publication of a notice is used in terms of this standing order, a full written record of all contacts, discussions and communications with prospective contractors shall be kept by the Strategic Development Plan Manager.
- 14.8 A minimum of two officers, one of whom to be of at least salary grade GRN, must be present at all times during any discussions with prospective contractors.
- 14.9 The Strategic Development Plan Manager must ensure that records of all discussions with prospective contractors are signed as such by all participants.
- 14.10 The Treaty Principles will be observed at all times during the negotiations.

## **15. Competitive Procedure with Negotiation**

- 15.1 The Strategic Development Plan Manager may choose to use the competitive procedure with negotiation where, in the Strategic Development Plan Manager's view, the restricted and open procedures in these standing orders are not appropriate for a contract.
- 15.2 The competitive procedure with negotiation may only be used on one of the following grounds:
- a Where the needs of the Joint Committee cannot be met without adaptation of readily available solutions;
  - b Where the contract includes design or innovative solutions;

- c Where the requirement is complex in nature, in its legal and financial make-up or because of its risks;
  - d Where the technical specifications cannot be established with sufficient precision; or
  - e Where unacceptable or irregular tenders have been received following a restricted or open procedure.
- 15.3 The Strategic Development Plan Manager shall ensure that the justification for use of the competitive procedure with negotiation is recorded.
- 15.4 Where the Strategic Development Plan Manager elects to use the competitive procedure with negotiation, the rules for such a procedure set out in the EU Procurement Rules shall be followed. However, where the EU Procurement Rules would not otherwise apply to the contract, the Strategic Development Plan Manager shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.
- 15.5 In all cases where the competitive procedure with negotiation is used, a full written record of all contacts, discussions and communications with tenderers shall be kept by the Strategic Development Plan Manager.
- 15.6 A minimum of two officers, one of whom to be of at least salary grade GRN, must be present at all times during any discussions with tenderers.
- 15.7 The Strategic Development Plan Manager must ensure that records of all discussions with tenderers are signed as such by all participants.
- 15.8 The Treaty Principles will be observed at all times during the negotiations.

## **16. Competitive Dialogue Procedure**

- 16.1 The Strategic Development Plan Manager may choose to use the competitive dialogue procedure where, in the Strategic Development Plan Manager's view, the restricted and open procedures in these standing orders are not appropriate for a contract.
- 16.2 The competitive dialogue procedure may only be used on one of the grounds set out in standing order 15.2.
- 16.3 The Strategic Development Plan Manager shall ensure that the justification for use of the competitive dialogue procedure with is recorded
- 16.4 Where the Strategic Development Plan Manager elects to use the competitive dialogue procedure, the rules for such a procedure set out in the EU



Procurement Rules shall be followed. However, where the EU Procurement Rules would not otherwise apply to the contract, the Strategic Development Plan Manager shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.

- 16.5 In all cases where the competitive dialogue procedure is used, a full written record of all contacts, discussions and communications with tenderers shall be kept by the Strategic Development Plan Manager.
- 16.6 A minimum of two officers, one of whom to be of at least salary grade GRN, must be present at all times during any discussions with tenderers.
- 16.7 The Strategic Development Plan Manager must ensure that records of all discussions with tenderers are signed as such by all participants.
- 16.8 The Treaty Principles will be observed at all times during the competitive dialogue.

## **17. Innovation Partnerships**

- 17.1 The Strategic Development Plan Manager may choose to use the innovation partnership procedure where, in the Strategic Development Plan Manager's view, there is a need for innovative works, products or service which cannot be met by solutions already available on the market.
- 17.2 The aim of the innovation partnership will be the development of the required innovative works, products, or services and the subsequent purchase of the resulting works, supplies, or services.
- 17.3 The estimated value of the works, supplies or services must not be disproportionate in relation to the investment required for their development.
- 17.4 Where the Strategic Development Plan Manager elects to use the innovation partnership procedure, the rules for such a procedure set out in the EU Procurement Rules shall be followed. However, where the EU Procurement Rules would not otherwise apply to the contract, the Strategic Development Plan Manager shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.

## **18. Quick Quotes**

- 18.1 Where a contract is for works, and the estimated value is below the Threshold, the Strategic Development Plan Manager may elect to use the quick quote procedure.

## **19. Extensions to Existing Contracts**

- 19.1 Where the Strategic Development Plan Manager considers that an existing contract should be extended and the option to extend is given to the Joint Committee in terms of the contract, the Strategic Development Plan Manager may authorise the exercise of that option on behalf of the Joint Committee provided that the value stated in the report under which approval to award the contract was granted was the estimated total value of the entire contract including any period of extension.
- 19.2 Where the contract does not make provision for extension, the Strategic Development Plan Manager shall not extend that contract. However, a new contract may be entered into if the use of the negotiated procedure without publication of a notice can be justified in terms of these standing orders in which case the procedure in standing order 14 shall be followed.
- 19.3 For the purposes of standing orders 19.1 and 19.2 an extension of a contract includes the option to increase the amount of supplies, services or works as well as the option to increase the duration of the contract.
- 19.4 Where in terms of standing orders 19.1 and 19.2 the contract does not make provision for extension and the initial contract was not let in accordance with the EU Procurement Rules, the total value of the contract, including the value of any extension, shall not exceed the Threshold.

## **20. E-Procurement**

- 20.1 This standing order shall apply to any tendering procedure or contract entered into using electronic means.
- 20.2 Unless, in exceptional circumstances, the Strategic Development Plan Manager as agreed otherwise, all tendering exercises shall be conducted using electronic means ("e-procurement").
- 20.3 The Strategic Development Plan Manager must consider whether it is appropriate to impose any specific requirements regarding verification and authentication of the tender submission and the signature of the person making that submission. Any such requirements must be stated in the Contract Documents.
- 20.4 No tender submitted using electronic means will be considered unless it is received in the format requested and prior to the deadline for the receipt of tenders, as stated in the Contract Documents and is submitted via the Joint Committee approved electronic tendering system.

- 20.5 The Strategic Development Plan Manager shall ensure that each tender is kept unopened in a single secure electronic mailbox that cannot be opened before the deadline for the receipt of tenders.
- 20.6 The Strategic Development Plan Manager shall ensure that insofar as is reasonably practicable the system used does not allow the identity of the contractor submitting the tender to be revealed prior to the tender being opened after the deadline for the receipt of tenders.
- 20.7 The Strategic Development Plan Manager shall ensure that for each procurement exercise the system used shall keep and, if required, produce a record showing the time and date of receipt of all tenders received.
- 20.8 The system used must not allow late tenders or tenders sent to the wrong address to be received.
- 20.9 Late Tenders must be clearly identified as such by the system and shall be recorded as rejected on the system with the tenderer being notified to this effect.
- 20.10 Any questions as to whether a tender is late shall be determined by the Strategic Development Plan Manager.
- 20.11 The Strategic Development Plan Manager shall extend the deadline for submission of tenders:
- (i) Where additional relevant information, although requested by a potential tenderer in good time, is not supplied at least six days before the deadline; or
  - (ii) Where significant changes are made to the Contract Documents.
- 20.12 The Strategic Development Plan Manager may also elect to extend the deadline for submission of tenders where it is considered appropriate to do so.
- 20.13 Where the deadline for submission of tenders is extended by the Strategic Development Plan Manager in terms of standing orders 20.11 or 20.12, the Strategic Development Plan Manager shall notify all potential tenderers of the extension and any tenderers who have already submitted tenders shall be given the opportunity to re-submit their tenders.
- 20.14 This standing order shall also apply to the receipt and custody of tenders for sub-contracts let using electronic means to be performed by nominated sub-contractors.

## **21. Opening of Tenders**

- 21.1 All tenders for a procurement exercise shall be opened immediately one after the other during one session.
- 21.2 A minimum of two officers at a level not lower than salary grade GRN shall be present when the tenders for each contract are opened and a record shall be kept of the officers present.
- 21.3 The Strategic Development Plan Manager shall keep a record showing the particulars of each tender received; the date and time the tenders were opened; and who was present when the tenders were opened. The officers present shall complete and sign the record to show who opened the tenders and who witnessed the process.

## **22. Electronic Auctions**

- 22.1 For the purpose of these standing orders, the expression “electronic auctions” means:- A repetitive process involving an electronic device for the presentation of new prices, revised downwards, and/or new values concerning certain elements of tenders, which occurs after an initial full evaluation of the tenders, enabling them to be ranked using automatic evaluation methods.
- 22.2 The Strategic Development Plan Manager may authorise the carrying out of an electronic auction where satisfied that it is in the interests of the Joint Committee or any of the Member Authorities to do so and that the electronic auction is in accordance with the EU Procurement Rules.
- 22.3 The Strategic Development Plan Manager may only authorise the carrying out of an electronic auction where he is satisfied that the likely benefit of an electronic auction will outweigh the costs of undertaking the electronic auction.
- 22.4 An electronic auction may only be carried out where the possibility of the use of an electronic auction has been stated in the Contract Documents issued to contractors and, where the EU Procurement Rules apply, in the contract notice published in OJEU.
- 22.5 For the avoidance of doubt, an electronic auction may be used where previous stages of a tendering procedure have not been undertaken using electronic means.
- 22.6 Before proceeding with an electronic auction, the Strategic Development Plan Manager shall make a full initial evaluation of the tenders in accordance with the award criteria set and with the weighting fixed for them. All tenderers who have submitted admissible tenders shall be invited simultaneously by electronic means to submit new prices and/or new values.

- 22.7 At least two working days must elapse between the date on which the invitations referred to in standing order 22.6 are sent and the date of the electronic auction.
- 22.8 Throughout each phase of an electronic auction the Joint Committee shall instantaneously communicate to all tenderers involved at least sufficient information to enable them to ascertain their relative rankings at any moment. The Joint Committee may also, at any time, announce the number of participants in that electronic auction. In no case, however, may the Joint Committee disclose the identities of the tenderers during any phase of an electronic auction.
- 22.9 Prior to the commencement of any electronic auction, the Joint Committee shall intimate to all tenderers involved the date and time fixed for the carrying out of the electronic auction and the proposed duration of the electronic auction together with any proposals for the extension of its duration.
- 22.10 Any electronic auction will be subject to such additional procedural requirements as the Strategic Development Plan Manager considers necessary.

### **23. Submission of In-house Tenders**

- 23.1 Where the Joint Committee has invited one of its own in-house services to tender, the other contractors who have been invited to tender shall be advised of this fact in the Contract Documents.

### **24. Technical and Financial Checks**

- 24.1 No tenderer may be awarded a contract for the supply of goods, materials or services or the execution of works unless following a review of the proposed contractor, the Strategic Development Plan Manager of the procuring department is satisfied as to:-
- a the technical capability of the proposed contractor; and
  - b in conjunction with the Director of Finance and Resources of Renfrewshire Council, the financial standing of the proposed contractor.
- 24.2 The financial standing of proposed contractors shall be assessed using the most up to date Financial Appraisal Guidelines approved by the Director of Finance and Resources.
- 24.3 It shall not be necessary to review the financial standing of proposed contractors where:-
- a the Strategic Development Plan Manager has ascertained that the estimated aggregate value of the contract and all other current contracts

between the Joint Committee and the proposed contractor is £100,000 or below; or

- b it has been reviewed in the preceding 12 months from the date of invitation to tender.
- 24.4 Assessment of a tenderer's technical capacity shall include a determination by the Strategic Development Plan Manager as to whether:
  - a the tenderer meets the selection criteria; and
  - b any exclusion grounds under the Procurement Reform Rules, or where appropriate the EU Procurement Rules, apply to the tenderer.
- 24.5 The assessment under standing order 24.4 shall be based initially on the ESPD submitted by the tenderer but, at any moment during the procedure, the Strategic Development Plan Manager may require the tenderer to submit all or any of the supporting documents where the Strategic Development Plan Manager considers this is necessary to ensure the proper conduct of the procedure.
- 24.6 Where a procedure requires a shortlist of participants to be prepared, before a participant may be included on the shortlist the Strategic Development Plan Manager shall:-
  - a verify that the participant whom he intends to shortlist meets all relevant criteria; and
  - b require the participant to submit such means of proof and supporting documents that the Strategic Development Plan Manager considers to be necessary.
- 24.7 Before preparing any report to seek approval to award a contract, except a contract which is a direct award under a framework, the Strategic Development Plan Manager shall:-
  - a verify that the participant who is the proposed contractor meets all relevant criteria; and
  - b require the participant who is the proposed contractor to submit such means of proof and supporting documents that the Director considers to be necessary.
- 24.8 Where the Strategic Development Plan Manager is unable to verify that a participant meets all the relevant criteria, or where a participant fails to submit such means of proof as required by the Strategic Development Plan Manager in

terms of this standing order, the participant shall be excluded from the procedure.

- 24.9 The Strategic Development Plan Manager shall keep a record showing the results of each check of the technical capacity and financial standing of proposed contractors.

## **25. Checking of Tenders & Post Tender Negotiations**

- 25.1 All tenders shall be subject to checking by the Strategic Development Plan Manager who shall, if required by standing order 26.4, prepare and submit a written report in respect of all the tenders received in a form that complies with standing order 27 and containing a specific recommendation as to the acceptance of the successful tender or tenders and the reasons therefor.
- 25.2 Where the Strategic Development Plan Manager considers that a tender may be abnormally low, the procedures in the EU Procurement Rules shall be followed.
- 25.3 Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted the Strategic Development Plan Manager may instruct members of staff or consultants to enter into post tender negotiations. Post tender negotiations shall only be used in circumstances where the Strategic Development Plan Manager has identified a tenderer who has submitted the best price or the most economically advantageous tender to the Joint Committee for a contract or part of a contract and where the Strategic Development Plan Manager is satisfied that there is scope for improvement in the offer received and that such negotiations will be in the best interests of securing value for money or improved terms and conditions for the Joint Committee. Post tender negotiations may only be used with that tenderer so identified. The post tender negotiations shall not be used to put other tenderers at a disadvantage or to distort competition.
- 25.4 Where it is considered possible that post tender negotiations might apply, a clear indication will be given to prospective contractors in the tender documents that post tender negotiations might be considered.
- 25.5 Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted, the Strategic Development Plan Manager may instruct members of the Strategic Development Plan Manager's staff or consultants to contact a tenderer in respect of any contract in cases where such contact may be necessary to validate or clarify the terms of the tender or to effect any necessary adjustments but for no other purpose.

- 25.6 Notwithstanding the other terms of this standing order 25, where examination of the tenders reveals obvious errors or discrepancies which would affect the tender figures, these errors will be dealt with in the following manner:-
- a Any obvious arithmetical errors will be rectified by the appropriate officer checking the tenders and the amount of tender shall be held to be the amount so rectified and the tenderer informed in writing of the corrected amount.
  - b Where there is an obvious and genuine error in rates occurring, the tenderer will be given the opportunity of either confirming that they agree to their tender being considered with the error remaining or withdrawing their tender. This procedure must be undertaken in writing. Should the tenderer decide to withdraw their tender, it will not be considered for acceptance. The tenderer must not be given the opportunity to submit an amended tender.
- 25.7 A full written record shall be kept by the Strategic Development Plan Manager of all contracts where post tender negotiations have been used and the written record will be retained with the original tender. The written record will include the justification for authorising post tender negotiations, the nature of the negotiations undertaken, the outcome of such negotiations and shall detail any additional terms agreed by the Joint Committee.

## **26. Acceptance and Giving Reasons for Decisions**

- 26.1 Where the Joint Committee wishes to award a contract following a procurement exercise involving more than one tenderer, the Joint Committee shall award the contract to the tenderer that has submitted the most economically advantageous tender based on an evaluation by the Strategic Development Plan Manager of the criteria set out in the tender documents.
- 26.2 The Strategic Development Plan Manager shall, in relation to any contract awarded following the evaluation of criteria set out in the Contract Documents, keep a written record showing the assessment of each valid tender against those criteria. The written record shall demonstrate why the successful tender was evaluated as being the most economically advantageous.
- 26.3 In cases where the value of the contract exceeds £50,000 but does not exceed the EU Threshold, the successful tender shall be accepted by the Strategic Development Plan Manager.
- 26.4 In cases where the value of the contract exceeds the EU Threshold, the successful tender shall be accepted by either the Strategic Development Plan Manager or the Clerk on the authority of the Joint Committee. However, in circumstances where the Joint Committee has undertaken work on behalf of a



third party who is not a member of the Joint Committee for contracts where the value exceeds the Threshold the Strategic Development Plan Manager may accept the contract, providing that he is satisfied that he has obtained clear instruction and the necessary authority from the third party to do so and shall report the award of the contract to the Joint Committee as soon as reasonably practicable thereafter.

- 26.5 In exceptional cases where the value of the contract exceeds the Threshold and in the opinion of the Strategic Development Plan Manager, urgency precludes obtaining the approval of the Joint Committee, the contract may be accepted by the Strategic Development Plan Manager on the authority of the Convenor and Vice-Convenor, provided always that the acceptance of a contract in such circumstances is subject of a report to the next meeting of the Joint Committee.
- 26.6 Member Authorities may request the Joint Committee to undertake a tendering procedure on their behalf but may specifically request that the acceptance of the contract following on from that procedure is dealt with by the Member Authority in accordance with that Member Authority's standing orders relating to contracts. In such circumstances standing orders 26.3, 26.4 and 26.5 do not apply to the award of that contract.
- 26.7 The Strategic Development Plan Manager may terminate any tendering or negotiated procedure at any time up to the award of the contract where he believes that justification exists for that course of action. Where the Strategic Development Plan Manager does decide to terminate a tendering or negotiated procedure the Strategic Development Plan Manager shall write to all tenderers involved in that procedure informing them of his decision and the reasons for that.
- 26.8 In accordance with the Procurement Reform Rules, where a participant is excluded from a procedure at any stage before submitting a tender, the Strategic Development Plan Manager shall notify the participant in writing and provide reasons as soon as reasonably practicable.
- 26.9 All tenderers shall be informed in writing of the success or otherwise of their tender as soon as is reasonably practicable after the approval of the successful tender. Except in the case of letters issued to successful tenderers by the Clerk in terms of standing order 26.4, the Strategic Development Plan Manager shall be responsible for writing to tenderers.
- 26.10 Where the EU Procurement Rules apply, no tender shall be accepted until the date when the mandatory standstill period in terms of those Rules has expired and the Strategic Development Plan Manager is satisfied that no valid challenge has been received to the contract award decision.

The mandatory standstill period is a period of at least 10 calendar days between the date of dispatch of the letters issued under standing order 26.9 and the date when it is proposed to enter into the contract.

26.11 Where during the mandatory standstill period referred to in standing order 26.10 a valid challenge is made to the contract award decision, the Strategic Development Plan Manager, in consultation with the Clerk if appropriate, shall prepare a report for the next meeting of the Joint Committee setting out the nature of the challenge made and an explanation as to why the challenge is valid. The report shall also make a recommendation regarding the award of the contract or, if the contract cannot be awarded, what further procedure, if any, is required.

26.12 The Strategic Development Plan Manager shall keep and maintain a register of all contracts that are not exempt from these standing orders and, in respect of each contract shall enter into that register, the following information:-

the name and address of the contractor;

a description of the purpose of the contract;

the duration of the contract; and

any other information relating to the contract which the Strategic Development Plan Manager considers to be material.

## **27. Content of Reports on Contracts**

27.1 For all contracts requiring the approval of the Joint Committee, a report will be submitted detailing the following:-

- (a) The nature of the requirements of the contract.
- (b) The tendering procedures adopted.
- (c) The selection and/or invitation of contractors and their responses to the invitation.
- (d) A comparative digest of offers received.
- (e) The recommendation on the award of the contract or contracts.

## **28. Nomination of a Sub-Contractor**

- 28.1 Where a contract provides for the nomination of a sub-contractor, the appointment of a nominated sub-contractor shall comply with these standing orders.

## **29. Framework Agreements**

- 29.1 The Strategic Development Plan Manager may invite contractors to tender to participate in a Framework Arrangement ("the Framework"). The Framework shall provide for agreement on the terms for future contracts between the Joint Committee and the contractors for the purchase by the Joint Committee of goods, services and works. The procedure for setting up a Framework shall comply with the following requirements:-
- a Where the EU Procurement Rules apply, the Strategic Development Plan Manager shall establish the Framework in accordance with those Rules.
  - b In all other circumstances:-
    - (i) The suppliers to be invited to tender will be selected from those who have responded to a notice.
    - (ii) The notice shall be published in accordance with standing order 10.
    - (iii) The notice shall mention:-
      - A that the Joint Committee wishes to establish a Framework;
      - B a description of the goods, service or works which are to be purchased under the Framework;
      - C a period being not less than 10 days from the date of publication of the Notice, within which prospective participants may apply to be sent the tender documents; and
      - D a closing date for expressions of interest to be submitted to the Joint Committee.
    - (iv) at least five suppliers shall be invited to tender. If fewer than five tenderers apply to participate in the Framework, all of those tenderers meeting the evaluation criteria shall be invited to participate.
  - c Where a Framework is to be established, the Contract Documents must contain the procedures to be used for the award of contract under the Framework.
  - d The establishment of the Framework shall comply with standing order 26.

- 29.2 Where a Framework has been established in accordance with standing order 29.1 the Strategic Development Plan Manager may award a contract under the Framework without being required to seek further competition amongst the contractors on the Framework. However, the contract must be awarded in accordance with the terms and procedures for award of contracts laid down in the Framework and in compliance with standing order 26.
- 29.3 Where a Framework has been established but it does not lay down all the terms of a proposed contract including, for example, where a new item can legitimately be added to the Framework, the Strategic Development Plan Manager shall hold a mini-competition procedure under the Framework in accordance with standing order 29.4 below.
- 29.4 Any mini-competition procedure in terms of standing order 29.3 shall be conducted in accordance with the procedures laid down in the Framework and the following:-
- a every contractor on the Framework capable of performing the contract shall be issued with an invitation to take part in the mini-competition. All invitations shall be issued at the same time.
  - b the invitations shall specify the closing date and time for submission of tenders under the mini-competition. The time limit fixed for the return of tenders shall take into account factors such as the complexity of the subject matter of the contract and the time needed to prepare a tender, but in any event shall not be less than 4 working days from the date the invitations are issued.
  - c each tender shall be kept confidential until the expiry of the time limit for the receipt of tenders;
  - d the award of contract shall be made to the contractor or contractors who have submitted the best tender or tenders on the basis of the award criteria specified in the Contract Documents based on the Framework documents; and
  - e Any award of contract following a mini-competition procedure shall comply with standing order 26.
- 29.5 The Strategic Development Plan Manager may elect to enter into contracts under an existing Framework that has been properly constituted by another local authority, by the Scottish Government; the Crown Commercial Service, or any other agency of the UK government; Scotland Excel and all other Scottish Centres of Procurement Expertise; local authorities; and other collaborative bodies. Any such contracts must be entered into in accordance with the

conditions applicable to the relevant Framework and in compliance with standing order 26.

- 29.6 Where a Regulated Contract is awarded following a call-off or mini-competition under a Framework, the Strategic Development Plan Manager shall publish an award notice on the Public Contracts Scotland website.
- 29.7 Where, in order to participate in an existing Framework of the type described in standing order 29.5 above, the Joint Committee is required to enter into a participation agreement or other similar agreement regulating the use of the Framework by the Joint Committee, the Strategic Development Plan Manager shall have the authority to enter into the agreement on behalf of the Joint Committee.
- 29.8 Standing order 29.7 shall not apply where any fees or charges are payable by the Joint Committee to enable participation in an existing Framework of the type described in standing order 29.5 above. In such circumstances, prior approval of the Joint Committee is required before any participation agreement, or other similar agreement, may be entered into.

### **30. Dynamic Purchasing Systems**

- 30.1 The Strategic Development Plan Manager may elect to establish and use a Dynamic Purchasing System (“DPS”) if satisfied that:
- a it is in the interests of the Joint Committee to do so;
  - b the DPS will only be used for commonly used purchases the characteristics of which, as generally available on the open market, meet the Joint Committee’s requirements; and
  - c the costs of the DPS will not outweigh the likely benefits of using the DPS.
- 30.2 Any DPS established under this standing order shall be operated as a completely electronic process and, throughout its period of validity, shall be open for the admission of any suppliers who meet the selection criteria set by the Strategic Development Plan Manager.
- 30.3 Where the Strategic Development Plan Manager elects to establish and use a DPS, the rules for such a procedure set out in the EU Procurement Rules shall be followed.

### **31. Concessions**

- 31.1 Where the Joint Committee intends to grant a services concession contract or a works concession contract (“concession”), the Strategic Development Plan

Manager shall be responsible for determining a best estimate of the financial value of the concession which shall be in accordance with the EU Procurement Rules, if applicable.

- 31.2 Based on the best estimate of the financial value of the concession, the Strategic Development Plan Manager shall determine the procedures that require to be followed in terms of these standing orders and, where applicable, the EU Procurement Rules.

## **32. Design Contests**

- 32.1 Where the Strategic Development Plan Manager considers it appropriate to do so he may hold a design contest, which shall be a competitive procedure in which the Strategic Development Plan Manager invites the entry of plans and designs under predetermined rules under which the successful entry selected in terms of those rules is awarded a contract.
- 32.2 Where a design contest is to be held, a notice shall be placed in the Public Contracts Scotland website and in addition, may be placed in one or more national newspapers and also in such Trade Journals as the Strategic Development Plan Manager may consider necessary. The notice shall state:-
- a that a design contest is being held;
  - b a description of the project;
  - c the place where a prospective competitor may obtain a copy of the rules; and
  - d the date not less than 14 days from the date of the publication of the notice by which the prospective competitor must intimate, in writing, their interest in being involved in the contest.
- 32.3 After the expiry of the period specified in the notice, invitations to tender shall be sent to at least three persons selected by the Strategic Development Plan Manager. If fewer than three persons have applied and are considered suitable by the appropriate director, then invitations to tender shall be sent to all suitable persons. Where only one suitable applicant has applied the Strategic Development Plan Manager shall decide either to abandon the contest or to negotiate with the sole suitable applicant for the award of the contract using the Negotiated Procedure without Prior Publication of a Notice in contract standing order 14.
- 32.4 The prior approval of the Joint Committee is required before a design contest in terms of this standing order is commenced.

- 32.5 For the purposes of these standing orders a design contest means a competition in which the Joint Committee:-
- a invites the entry of plans and designs;
  - b establishes rules for the competition under which the plans or designs will be judged by a jury;
  - c may award prizes; and
  - d is enabled to acquire the use or ownership of plans or designs selected by the jury.

### **33. Specification of Standards**

- 33.1 Where there is a recognised British, European or International Standard applicable to any contract which is current at the date of tender, the Contract Documents shall require that the goods, materials or services to be used or supplied and all workmanship shall at least meet the requirement of that standard.

### **34. Assignment, Sub-Contracting, Termination and Modification**

- 34.1 In every contract, there shall be a provision whereby the contractor shall be prohibited from transferring or assigning to any person or persons whatever, any portion of the contract without the prior written consent of the Joint Committee. The Strategic Development Plan Manager shall have the power to consent on behalf of the Joint Committee to the assignment of a contract.
- 34.2 The sub-contracting of any part of a contract except to the extent permitted in writing by the Strategic Development Plan Manager shall be prohibited.
- 34.3 The Strategic Development Plan Manager may exercise any power on behalf of the Joint Committee to terminate any contract or part of a contract or to terminate the Joint Committee's participation in a Framework Agreement or to agree to vary or amend the terms of any contract but only following consultation with the Clerk and subject to the Strategic Development Plan Manager and the Clerk being satisfied that it is reasonable and in the interests of the Joint Committee to exercise that power.
- 34.4 Where it is proposed to modify a contract or framework, the Strategic Development Plan Manager, taking advice from the Clerk where appropriate, shall determine whether the proposed modification would require a new procurement procedure. For the avoidance of doubt, modification includes any changes to the scope; terms and conditions; value; or parties to the contract or framework.

- 34.5 Where the Strategic Development Plan Manager determines that a modification would not require a new procurement procedure, the procedures under standing order 38 shall be followed if the contract is a schedule of rates contract.

### **35. Liquidated and Ascertained Damages**

- 35.1 Where the Strategic Development Plan Manager deems it to be appropriate following consideration of the risks involved, the Strategic Development Plan Manager shall ensure that the contract provides for liquidated and ascertained damages. The amount to be specified in each such contract shall be determined by the Strategic Development Plan Manager.

### **36. Prevention of Collusion and Corrupt or Illegal Practices**

- 36.1 In every written contract a clause shall be inserted to secure that the Joint Committee shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or the contractor's representative (whether with or without the knowledge of the contractor), shall have practised collusion in tendering for the contract or any other contract with the Joint Committee or any Member Authority or shall have employed any corrupt or illegal practices either in the obtaining or performance of the contract or any other contract with the Joint Committee or any Member Authority.

### **37. Health and Safety**

- 37.1 No contract to which these standing orders apply will be accepted unless the contractor satisfies the Joint Committee that the contractor is operating health and safety policies which conform with current government legislation.

### **38. Schedule of Rates Contracts**

- 38.1 In every works contract which is a schedule of rates contract, the Strategic Development Plan Manager shall, prior to invitations to tender being issued, fix an indicative total value for the contract. The indicative total value shall be set out in any report to the Joint Committee concerning the contract in question.
- 38.2 Where it becomes apparent to the Strategic Development Plan Manager that the indicative total value is likely to be exceeded the Strategic Development Plan Manager shall ensure that a report on the matter is submitted to the next meeting of the Joint Committee. Where a contract has not been advertised under the EU Procurement Rules and the increase in the value of the contract is such that the EU Threshold is likely to be exceeded, no further orders shall be made under the contract.



- 38.3 The Strategic Development Plan Manager shall ensure that a condition is inserted in any such contract to the effect that the indicative total value of the contract cannot be exceeded without the approval of the Joint Committee.

## **39. Sustainable Procurement**

- 39.1 The Strategic Development Plan Manager shall be responsible for ensuring that the Joint Committee fulfils its Sustainable Procurement Duty.
- 39.2 The Strategic Development Plan Manager shall ensure that the Sustainable Procurement Duty is considered in the development of every Regulated Procurement and shall take into account how the Regulated Procurement can
- a improve the economic, social and environmental wellbeing of the Joint Committee's area;
  - b facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the Regulated Procurement; and
  - c promote innovation.
- 39.3 Where improvements in terms of standing order 39.2 a have been identified, the Strategic Development Plan Manager shall ensure that the Regulated Procurement is carried out with a view to securing such improvements.

## **40. Consultants**

- 40.1 It shall be a condition of the engagement of the services of any consultant that:-
- a they shall comply with these contract standing orders as though they were officers of the Joint Committee.
  - b that at any time during the performance of the contract the consultant shall, on a request by the Strategic Development Plan Manager produce all records maintained by them in relation to the contract and on completion of the contract transmit all such records to the Strategic Development Plan Manager, if so required.
- 40.2 All contracts for consultancy services must set out clear output targets for performance by the consultant under the contract.

## **41. Records and Registers**

- 41.1 The Strategic Development Plan Manager shall maintain a contracts register in accordance with the Procurement Reform Rules.

- 41.2 Where these standing orders require that records or registers are kept, the Strategic Development Plan Manager shall obtain the approval of the Joint Committee prior to making arrangements for the disposal of any such records or registers.
- 41.3 The contracts register kept in accordance with standing order 41.1 is to be regarded as a permanent record of the Joint Committee and is not to be destroyed or disposed of.

## Schedule 1

### **Special Arrangements for Contracts for Social and Other Specific Services and for Health or Social Care Services**

Unless varied by the special arrangements set out in this Schedule 1, the foregoing standing orders apply to contracts for Social and Other Specific Services and contracts for Health or Social Care Services. The special arrangements are as follows:

#### **A. Procedures for the Award of Contracts for Social and Other Specific Services**

- A.1 Where a contract is for Social and Other Specific Services and the estimated value of the contract is equal to or greater than the threshold for Social and Other Specific Services, the Strategic Development Plan Manager shall follow the relevant procedures for such services set out in the EU Procurement Rules and the Procurement Reform Rules.

#### **B. Procedures for the Award of Contracts for Health or Social Care Services**

- B.1 Where a contract is for Health or Social Care Services and the estimated value of the contract is less than the threshold for Social and Other Specific Services, instead of using the procedures set out in the foregoing standing orders, the Strategic Development Plan Manager may elect to follow the procedures set out in the Procurement Reform Rules. In such circumstances, the Strategic Development Plan Manager may decide, that offers shall not be sought for example where:
- (a) it can be demonstrated that the contract is of no interest to service providers in other EU member states; and/or
  - (b) the total sum to be paid under the contract is so low that service providers located in other EU member states would not be interested in bidding for the contract; and/or
  - (c) the service is of such a specialised nature that no cross-border market of suitable service providers exists; and/or
  - (d) advertising the contract would result in the loss of a linked service; and/or
  - (e) the services are required by a service user and can best be provided by the service user's existing service provider.
- B.2 Where a decision is taken under paragraph B.1 above that offers shall not be sought, the Strategic Development Plan Manager shall decide if and how the contract shall be advertised.
- B.3 Where a decision is taken under paragraph B.2 above not to advertise the contract, the Negotiated Procedure without Prior Publication of a Notice set out in standing order 14 shall be followed.

C. Guidance from the Scottish Government

- C.1 Subject to standing order , contracts for Health or Social Care Services shall be procured in accordance with the Scottish Government's Guidance on the Procurement Reform (Scotland) Act 2014 and Guidance on the Procurement of Care and Support Services 2016 (Best-Practice) issued under Scottish Procurement Policy Note SPPN 7/2016(as such may be amended or replaced).
- C.2 In the event of any conflict between these standing orders and the Guidance referred to in paragraph C.1 above, the Guidance shall prevail.

D. SCSWIS and other Mandatory Registration

- D.1 All Contractors providing Health or Social Care services must be registered with Social Care and Social Work Improvement Scotland (SCSWIS) (commonly known as the Care Inspectorate) and/or any other regulatory bodies relevant to the service provided.

E. Review of Decisions

- E.1 Any decision taken under paragraph B.1 or B.2 shall be reviewed at regular intervals by the Strategic Development Plan Manager.