

GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE

To: Joint Committee

On: 12 December 2022

Report by: The Treasurer and the Strategic Development Plan Manager

Heading: Revenue Estimates 2023/24 for ClydePlan and the Green Network Partnership

1. Summary

- 1.1 The following report has been prepared by the Treasurer, in consultation with the Strategic Development Plan Manager, to present the Revenue Estimates of Glasgow and the Clyde Valley Strategic Development Planning Authority and Green Network Partnership, including the requisition of the constituent authorities, for financial year 2023/24 and indicative planning figures for 2024/25 and 2025/26.
-

2. Recommendations

- 2.1 It is recommended that Members:
- a) Approve the Revenue Estimates for 2023/24 set out in Appendix 1, including the planned use of reserves; and
 - b) Note the indicative estimates for 2024/25 and 2025/26.
-

3. Background

- 3.1 The Revenue Estimates process outlines the summary revenue budget position each year. Both ClydePlan and the Green Network Partnership budgets are presented together, in recognition of their shared activity and resources.
- 3.2 The Revenue Estimates presented in Appendix 1 outline the projected net expenditure and proposed requisition for 2023/24, along with indicative figures 2024/25 and 2025/26 for members' information, and to assist with constituent authorities' financial planning.
- 3.3 The financial environment in which the Joint Committee and member authorities operate continues to be characterised by significant demand and cost pressures, compounded by constrained grant support. It is anticipated that the Scottish Budget, to be announced on 15 December 2022, will again reflect

a settlement for local government that does not meet the levels required to maintain spend under the current high inflationary climate.

- 3.4 The requisition for ClydePlan is proposed at £67,500 per member. This maintains the gross requisition at 2022/23 levels, with a requisition discount of £39,500 applied, in recognition of the high level of uncommitted reserves. This proposal represents a 1.3% reduction in the net requisition for 2023/24.
- 3.5 There is a planned transfer of £47,500 of Clydeplan reserves to the Green Network Partnership in 2023/24 to fund the second year of a Green Network Development Officer post, as previously approved by the Joint Committee.
- 3.6 The requisition for Green Network Partnership is outlined in Appendix 1. The allocation basis for this is different to ClydePlan, the former being a per capita allocation. As with ClydePlan, the proposed net requisition for 2023/24 and beyond has been discounted to reduce the level of reserves held within Green Network Partnership to a reasonable level.

4. Budget Assumptions

- 4.1 The budget has been constructed on the basis of a fundamental review of the core operations of Clydeplan and Green Network Partnership and is based on the following assumptions:
 - Provision for inflation on employee costs has been included at an average 5% for 2022/23 and 3% for subsequent years;
 - Current working from home arrangements and other operational changes have resulted in savings across various areas of the budget, e.g. staff training, conferences, consultancy, printing and travel, and the budget assumption is that these savings will be sustained into 2023/24 and beyond;
 - As agreed by the Joint Committee on 13 September 2021, a two-year temporary Grade 9 post of Green Network Development Officer has been included in the GNP Employee Costs. The post was appointed to in 2022/23 and is budgeted to be funded from ClydePlan reserves. A transfer of reserves between ClydePlan and GNP can therefore be seen in the budget for 2022/23 and 2023/24 at Appendix 1.

5. Financial Overview

- 5.1 Clydeplan's current operational methods, structure and long-term financial arrangements are under continuous review by the Strategic Development Manager and the Treasurer.

- 5.2 The outlook in the medium term is characterised by uncertainty. The current areas of significant risk for the Joint Committee in the medium term are:
- ongoing discussions around improved integration of regional planning and the impact of the Planning (Scotland) Act;
 - workforce succession planning, following the recent announcement of the retirement of the Strategic Development Manager and Assistant Manager at the end of 2022/23; and
 - the level of pay award for 2023/24, which has not yet been agreed.
- 5.3 The impact of the 2023/24 Local Government settlement is yet to be confirmed. The current budget provision for pay inflation in 2023/24 is 3%; however, should the final settlement exceed this provision, action will be taken to mitigate the additional pressure.
- 5.4 Due to the current financial climate and ongoing COVID-19 situation, operational costs will remain under review and any savings that may arise will be brought forward to a future meeting. The level of reserves will also remain under review and any changes to the proposed use of reserves will be reported as appropriate to the Joint Committee.

6. Reserves

- 6.1 The Audited Annual Accounts for 2021/22 reported the level of uncommitted reserves as £314,108 for ClydePlan at 31 March 2022. This represents 54% of budgeted expenditure in 2022/23. It is recommended that the level of uncommitted reserves should be held at a minimum of 10% to provide for unforeseen expenditure. Based on the 2023/24 Estimate this would equate to £56,300.
- 6.2 The Audited Annual Accounts 2021/22 reported the level of uncommitted reserves as £99,630 for the Green Network Partnership. This represents 69% of budgeted expenditure in 2022/23. It is recommended that the level of uncommitted reserves should be held at a minimum of 30% to provide for unforeseen expenditure. Based on the 2023/24 Estimate this would equate to £30,150.
- 6.3 In recognition of the high level of reserves and no requirement to earmark any balances, a requisition discount has been built into estimates for 2022/23 and beyond. As in previous years, this managed draw from reserves to support the annual revenue budget is carefully planned with the aim of reducing reserve balances to an appropriate level, while supporting member authorities with annual revenue pressures by keeping requisition increases to a minimum.
-

Revenue Estimates 2023/24 to 2025/26
ClydePlan and Green Network Partnership

	Approved Budget 2022/23			Probable Outturn 2022/23			Proposed Budget 2023/24		
	ClydePlan	GNP	Total	ClydePlan	GNP	Total	ClydePlan	GNP	Total
Expenditure									
Employee Costs	473,600	135,085	608,685	419,890	134,856	554,746	489,400	141,200	630,600
Premise Costs	22,200	900	23,100	3,190	0	3,190	20,100	500	20,600
Supplies and Services	27,400	7,300	34,700	29,870	7,650	37,520	27,400	7,300	34,700
Support Services	23,700	300	24,000	24,880	700	25,580	23,700	300	24,000
Third Party Payments	30,000	0	30,000	0	0	0	0	0	0
Transfer Payments	2,100	600	2,700	2,580	519	3,099	1,900	600	2,500
Transport	1,000	300	1,300	360	250	610	500	300	800
Total Expenditure	580,000	144,485	724,485	480,770	143,975	624,745	563,000	150,200	713,200
Income									
Gross Requisition	579,500	143,685	723,185	579,500	143,685	723,185	579,500	143,685	723,185
Requisition discount	(32,500)	(47,500)	(80,000)	(32,500)	(47,500)	(80,000)	(39,500)	(50,000)	(89,500)
Net Requisition	547,000	96,185	643,185	547,000	96,185	643,185	540,000	93,685	633,685
Other Income	3,000	800	3,800	3,000	800	3,800	3,000	800	3,800
Total Income	550,000	96,985	646,985	550,000	96,985	646,985	543,000	94,485	637,485
Net Expenditure / (Income)	30,000	47,500	77,500	(69,230)	46,990	(22,240)	20,000	55,715	75,715
Reserve Balances									
General Reserves at 1 April	383,872	99,630	483,502	314,108	99,630	413,738	335,838	100,140	435,978
Transfer of Clydeplan Reserves to GNP	0	0	0	(47,500)	47,500	0	(47,500)	47,500	0
Use of Reserves Other	(30,000)	(47,500)	(77,500)	69,230	(46,990)	0	(20,000)	(55,715)	(75,715)
Total Reserves at 31 March	353,872	52,130	406,002	335,838	100,140	413,738	268,338	91,925	360,263
Reserves as % of gross revenue spend	61%	36%		70%	70%		47.7%	61.2%	
Change in Net Requisition	n/a	n/a	n/a	n/a	n/a	n/a	-1.3%	-2.6%	-1.5%
Net Requisition per Authority:									
City of Glasgow Council	68,375.00	31,949.00	100,324.00	68,375.00	31,949.00	100,324.00	67,500.00	31,118.60	98,618.60
North Lanarkshire Council	68,375.00	17,825.00	86,200.00	68,375.00	17,825.00	86,200.00	67,500.00	17,361.70	84,861.70
South Lanarkshire Council	68,375.00	16,992.00	85,367.00	68,375.00	16,992.00	85,367.00	67,500.00	16,550.35	84,050.35
East Dunbartonshire Council	68,375.00	5,756.00	74,131.00	68,375.00	5,756.00	74,131.00	67,500.00	5,606.39	73,106.39
West Dunbartonshire Council	68,375.00	5,001.00	73,376.00	68,375.00	5,001.00	73,376.00	67,500.00	4,871.02	72,371.02
East Renfrewshire Council	68,375.00	4,900.00	73,275.00	68,375.00	4,900.00	73,275.00	67,500.00	4,772.64	72,272.64
Inverclyde Council	68,375.00	4,451.00	72,826.00	68,375.00	4,451.00	72,826.00	67,500.00	4,335.31	71,835.31
Renfrewshire Council	68,375.00	9,311.00	77,686.00	68,375.00	9,311.00	77,686.00	67,500.00	9,068.99	76,568.99
	547,000.00	96,185.00	643,185.00	547,000.00	96,185.00	643,185.00	540,000.00	93,685.00	633,685.00

Revenue Estimates 2023/24 to 2025/26
ClydePlan and Green Network Partnership

	Indicative Budget 2024/25			Indicative Budget 2025/26		
	ClydePlan	GNP	Total	ClydePlan	GNP	Total
Expenditure						
Employee Costs	506,400	92,200	598,600	517,400	94,200	611,600
Premise Costs	20,100	300	20,400	20,100	300	20,400
Supplies and Services	27,400	6,900	34,300	27,400	6,400	33,800
Support Services	23,700	300	24,000	23,700	300	24,000
Transfer Payments	1,900	500	2,400	3,000	500	3,500
Transport	300	300	600	300	300	600
Total Expenditure	579,800	100,500	680,300	591,900	102,000	693,900
Income						
Gross Requisition	576,800	100,100	676,900	588,900	101,600	690,500
Requisition discount	(30,000)	(10,000)	(40,000)	(30,000)	(15,000)	(45,000)
Net Requisition	546,800	90,100	636,900	558,900	86,600	645,500
Other Income	3,000	400	3,400	3,000	400	3,400
Total Income	549,800	90,500	640,300	561,900	87,000	648,900
Net Expenditure / (Income)	30,000	10,000	40,000	30,000	15,000	45,000
Reserve Balances						
General Reserves at 1 April	268,338	91,925	360,263	238,338	81,925	320,263
Use of Reserves Other	(30,000)	(10,000)	(40,000)	(30,000)	(15,000)	(45,000)
Total Reserves at 31 March	238,338	81,925	320,263	208,338	66,925	275,263
Reserves as % of gross revenue spend	41%	82%		35%	66%	
Change in Net Requisition	1.3%	-3.8%	0.5%	2.2%	-3.9%	1.4%
Net Requisition per Authority:						
City of Glasgow Council	68,350.00	29,927.79	98,277.79	69,862.50	28,765.23	98,627.73
North Lanarkshire Council	68,350.00	16,697.33	85,047.33	69,862.50	16,048.71	85,911.21
South Lanarkshire Council	68,350.00	15,917.03	84,267.03	69,862.50	15,298.72	85,161.22
East Dunbartonshire Council	68,350.00	5,391.86	73,741.86	69,862.50	5,182.40	75,044.90
West Dunbartonshire Council	68,350.00	4,684.62	73,034.62	69,862.50	4,502.64	74,365.14
East Renfrewshire Council	68,350.00	4,590.01	72,940.01	69,862.50	4,411.71	74,274.21
Inverclyde Council	68,350.00	4,169.41	72,519.41	69,862.50	4,007.45	73,869.95
Renfrewshire Council	68,350.00	8,721.95	77,071.95	69,862.50	8,383.14	78,245.64
	546,800.00	90,100.00	636,900.00	558,900.00	86,600.00	645,500.00