

GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE

To: Joint Committee

On: 11 December 2023

Report by: The Treasurer and the Head of Economy and Development

Heading: Revenue Estimates 2024/25 for Clydeplan and the Green Network Partnership

1. Summary

- 1.1 The following report has been prepared by the Treasurer, in consultation with the Head of Economy and Development, to present the Revenue Estimates of Glasgow and the Clyde Valley Strategic Development Planning Authority and Green Network Partnership (GNP), including the requisition of the constituent authorities, for financial year 2024/25.
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2. Recommendations

- 2.1 It is recommended that Members:
- a) Approve the Revenue Estimates for 2024/25 set out in Appendix 1, including the planned use of reserves; and
 - b) Agree to waive the requirement for a three-year financial plan in 2023/24.
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3. Background

- 3.1 The ClydePlan Minute of Agreement currently requires the Treasurer to prepare and submit to the Joint Committee, not later than 31 December each year, the proposed revenue estimates for the coming financial year.
- 3.2 The revenue estimates presented in Appendix 1 outline the projected net expenditure and proposed requisition for 2024/25 for members' consideration, and to assist with constituent authorities' financial planning. Both Clydeplan and the Green Network Partnership budgets are presented together, in recognition of their shared activity and resources
- 3.3 The ClydePlan Minute of Agreement also requires the Treasurer to submit to the Joint Committee a financial plan setting out estimated expenditure and associated requisitions for the following three years. In light of current potential

governance changes, it is requested that the Joint Committee agrees to waive this requirement for the current year.

- 3.4 The revenue estimates presented in Appendix 1 include member authority requisitions for Clydeplan that include a requisition discount in recognition of the high level of uncommitted reserves, as has been practice in recent years. A further supplementary requisition discount is proposed in recognition of two vacant senior management posts (Strategic Development Manager and Assistant Manager) that are unlikely to be appointed in 2024/25. This results in a 36% reduction in the net requisition for 2024/25.
- 3.5 Reserve projections in Appendix 1 include a transfer of £47,500 of Clydeplan reserves to the Green Network Partnership in 2024/25 to fund a Green Network Development Officer post extended for one year until 31 March 2025, as approved by the Joint Committee at its meeting on 11 September 2023.
- 3.6 Requisitions for the Green Network Partnership are also outlined in Appendix 1. The allocation basis for GNP is different to Clydeplan, the former being a per capita allocation. As has been practice in recent years, the proposed requisition for 2024/25 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 prepared on the basis of a review of the core operations of Clydeplan and the Green Network Partnership and is based on the following assumptions:
 - The recently agreed pay settlement for 2023/24 has been factored into employee costs budgets;
 - Provision for inflation on employee costs in 2024/25 has been included at an estimated 3%;
 - 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 reductions will be sustained into 2024/25.

5. Financial Overview

- 5.1 Clydeplan's current operations, structure and long-term financial arrangements are currently under review by the Joint Committee and its constituent authorities, which brings a level of uncertainty to the short and medium-term

outlook. Further areas of significant risk for the Joint Committee in the medium term include:

- ongoing discussions around improved integration of regional planning and the impact of the Planning (Scotland) Act;
- workforce planning, following the retirement of the Strategic Development Manager and Assistant Manager at the end of 2022/23; and
- potential higher level of pay inflation for 2024/25.

5.2 Due to the current financial climate, 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 2022/23 reported the level of uncommitted reserves as £389,271 for Clydeplan at 31 March 2023. This represents 69% of budgeted net expenditure in 2023/24. It is recommended that the level of uncommitted reserves should be held at a minimum of 10% to provide for unforeseen expenditure.

6.2 The audited Annual Accounts 2022/23 reported the level of uncommitted reserves as £101,899 for the Green Network Partnership. This represents 67% of budgeted net expenditure in 2023/24. It is recommended that the level of uncommitted GNP reserves should be held at a minimum of 30% to provide for unforeseen expenditure.

6.3 In recognition of the high level of reserves and no requirement to earmark any balances, requisition discounts are proposed for both ClydePlan and GNP in 2024/25. The impact of the proposed discounts is presented in Appendix 1.

	Approved Budget 2023/24			Proposed Budget 2024/25		
	ClydePlan	GNP	Total	ClydePlan	GNP	Total
Expenditure						
Employee Costs (Note 1)	493,400	144,200	637,600	275,567	180,483	635,912
Premise Costs	20,100	500	20,600	12,170	0	12,170
Supplies and Services	27,400	7,300	34,700	34,730	12,300	47,030
Support Services	23,700	300	24,000	24,300	1,100	25,400
Transfer Payments	1,900	600	2,500	1,900	600	2,500
Transport	500	300	800	500	200	700
Total Expenditure	567,000	153,200	720,200	349,167	194,683	723,712
Other Income	(3,000)	(800)	(3,800)	(3,000)	(50,848)	(53,848)
Net Expenditure	564,000	152,400	716,400	346,167	143,835	669,864
Funded by:						
Gross Requisition	579,500	143,685	723,185	579,500	144,185	723,685
Requisition discount	(35,500)	(47,000)	(82,500)	(51,051)	(47,000)	(98,051)
Supplementary Requisition discount (Note 1)	0	0	0	(182,282)	0	(182,282)
Net Requisition	544,000	96,685	640,685	346,167	97,185	443,352
Net Expenditure / (Income)	20,000	55,715	75,715	0	46,650	226,512
Net Requisition per Authority:						
City of Glasgow Council	68,000	32,115	100,115	43,271	32,281	75,552
North Lanarkshire Council	68,000	17,918	85,918	43,271	18,011	61,282
South Lanarkshire Council	68,000	17,080	85,080	43,271	17,168	60,439
East Dunbartonshire Council	68,000	5,786	73,786	43,271	5,816	49,087
West Dunbartonshire Council	68,000	5,027	73,027	43,271	5,053	48,324
East Renfrewshire Council	68,000	4,926	72,926	43,271	4,951	48,222
Inverclyde Council	68,000	4,474	72,474	43,271	4,497	47,768
Renfrewshire Council	68,000	9,359	77,359	43,271	9,407	52,678
	544,000	96,685	640,685	346,167	97,185	443,352
	0	0	0	0	0	0
Reserves						
Opening at 1 April	389,271	101,899		423,271	91,063	
Transfer of ClydePlan reserves to GNP	-	-		(47,500)	47,500	Note 2
Budgeted drawdown of reserves	34,000	(10,836)		0	(46,650)	Note 3
Closing at 31 March	423,271	91,063		375,771	91,913	

Notes

- 1) 2024/25 employee costs excludes two vacant senior management posts and supplementary requisition reflects this
- 2) Green Network Development post funded until March 2025 and 2023/24 payment was made in-year
- 3) Assumes approval of 23/24 requisition discount