

## **Notice of Meeting and Agenda Glasgow & the Clyde Valley Strategic Development Planning Authority Joint Committee**

<b>Date</b>	<b>Time</b>	<b>Venue</b>
Monday, 11 June 2018	11:15	Glasgow City Council, Ground Floor, Exchange House, 231 George Street, Glasgow, G1 1RX,

KENNETH GRAHAM  
Clerk

### **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 <http://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.

### **Members of the Press and Public**

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

## 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 - 8</b>     |
|          | Minute of meeting of the Joint Committee held on 12 March 2018.   |                  |
| <b>2</b> | <b>Unaudited Annual Accounts 2017/18</b>  | <b>9 - 46</b>    |
|          | Report by Treasurer.  |                  |
| <b>3</b> | <b>Clydeplan Update and Workplace Priorities</b>  | <b>47 - 68</b>   |
|          | Report by Assistant Manager.  |                  |
| <b>4</b> | <b>Clydeplan Legal Challenge Update</b>   | <b>69 - 98</b>   |
|          | Report by Assistant Manager.  |                  |
| <b>5</b> | <b>Internal Audit Annual Report 2017/18</b>   | <b>99 - 110</b>  |
|          | Report by Chief Auditor.  |                  |
| <b>6</b> | <b>Internal Audit Reporting Arrangements</b>  | <b>111 - 114</b> |
|          | Report by Chief Auditor.  |                  |
| <b>7</b> | <b>Corporate Purchasing Card Expenditure</b>  | <b>115 - 116</b> |
|          | Report by Treasurer and Strategic Development Plan Manager.   |                  |
| <b>8</b> | <b>Date of Next Meeting</b>   |                  |
|          | Note that the next meeting will be held at 11.15 am on 10 September 2018 in Glasgow City Council, Exchange House, George Street, Glasgow. |                  |

## Minute of Meeting

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

Date	Time	Venue
Monday, 12 March 2018	11:15	Glasgow City Council, Ground Floor, Exchange House, 231 George Street, Glasgow, G1 1RX,

#### Present

Councillor Johnston and Councillor Moir (both East Dunbartonshire Council); Councillor Lafferty and Councillor Miller (both East Renfrewshire Council); Councillor Elder and Councillor McLean (both Glasgow City Council); Councillor Clocherty and Wilson (both Inverclyde Council); Councillor Curran (North Lanarkshire Council); Councillor Begg (Renfrewshire Council); Councillor Anderson (South Lanarkshire Council); and Councillor O'Neill (West Dunbartonshire Council).

#### Chair

Councillor O'Neill, Convener, presided.

#### In Attendance

S Tait, Strategic Development Plan Manager and D McDonald, Assistant Strategic Development Plan Manager (both Strategic Development Plan Core Team); J Nicol, Principal Planner (East Renfrewshire Council); N Urquhart, Team Leader Sustainability Policy (East Dunbartonshire Council); S Taylor, Principal Planner (Glasgow City Council); L Bowden, Business Manager (Strategic Planning) (North Lanarkshire Council); F Carlin, Head of Planning and Housing Services, K Festorazzi, Senior Accountant, and E Currie, 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 (West Dunbartonshire Council); and A Haar, Senior Auditor (Audit Scotland).

#### Apologies

Councillor Magowan (North Lanarkshire Council); Councillor McGurk (Renfrewshire Council); Councillor Fulton (South Lanarkshire Council); and Councillor McColl (West Dunbartonshire Council).

## **Declarations of Interest**

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

## **Additional Item**

The Convener intimated that there was an additional item in relation to the Annual Audit Plan 2017/18 which had not been included in the notice calling the meeting. The Convener, being of the opinion that the item which is dealt with at item 10 below, was urgent in view of the need to advise members of the position, authorised its consideration.

### **1 Minute**

There was submitted the Minute of the meeting of the Joint Committee held on 11 December 2017.

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

### **2 Revenue Budget Monitoring**

There was submitted a joint report by the Treasurer and the Strategic Development Plan Manager for the period 1 April 2017 to 2 February 2018.

The report intimated that gross expenditure and income were currently breakeven.

**DECIDED:** That the report be noted.

### **3 Clydeplan Strategic Development Plan (July 2017) Legal Challenge Update**

Under reference to item 6 of the Minute of the meeting of this Joint Committee held on 11 December 2017 there was submitted a report by the Strategic Development Plan Manager providing an update on the legal challenge to the Clydeplan Strategic Development Plan (July 2017).

The report intimated that the appeal had been heard in the Court of Session on 6 and 7 February 2018. The Law Lords had indicated that they would be issuing their decision in a few weeks, however, no decision had been issued as yet.

The cost of supporting the legal challenge to date was £21,503 which could be met from earmarked balances. Further legal advice may be required depending on the outcome of the Court of Session judgement.

**DECIDED:** That the report be noted and that it be agreed that the costs be met from earmarked balances.

## **4 Planning (Scotland) Bill Update**

There was submitted a report by the Strategic Development Plan Manager providing an update on the Planning (Scotland) Bill and the ongoing considerations of its implications on the role and remit of the Joint Committee.

The report intimated that the Planning (Scotland) Bill was introduced to the Scottish Parliament by the Cabinet Secretary for Communities, Social Security and Equalities on 4 December 2017 and was accompanied by Explanatory Notes, a Policy Memorandum and a Financial Memorandum which was published on 5 December 2017. The Bill was currently undergoing a Parliamentary scrutiny phase. It was anticipated that the Bill would be enacted by the Scottish Parliament in September 2018.

As agreed with the Convener and Vice Convener and Steering Group Chair, Clydeplan had submitted responses to the Local Government and Communities Committee and the Finance and Constitution Committee, which formed Appendices 1 and 2 to the report. The Clydeplan Manager had given oral evidence to the Local Government and Communities Committee.

The report detailed the potential implications for the Glasgow and The Clyde Valley Strategic Development Planning Authority Joint Committee information in relation to the Glasgow City Regional Partnership.

### **DECIDED:**

(a) That the report be noted;

(b) That the Strategic Development Plan Manager and Steering Group Chair continue discussions with the Scottish Government and Glasgow City Region to consider the implications of the Planning (Scotland) Bill as they related to the role and remit of the Joint Committee; and

(c) That update reports be submitted to future meeting of the Joint Committee.

## **5 Clydeplan Annual Report 2017**

There was submitted a report by the Strategic Development Plan Manager relative to the Clydeplan Annual Report 2017, a summary of which was appended to the report.

The Annual Report provided an overview of the work undertaken by Clydeplan during 2017 under the broad headings of the review of the Clydeplan Joint Committee; approval of the Strategic Development Plan and legal challenge; the Glasgow City Region and City Deal; the Scottish Government's Review of Planning in Scotland – Publication of the Planning (Scotland) Bill; the Scottish Awards for Quality in Planning – Clydeplan's Flood Risk Mapping Tool; and priorities and issues affecting the future work of Clydeplan.

### **DECIDED:**

(a) That the Annual Report 2017, as set out in the appendix to the report, be approved; and

(b) That it be agreed that, in accordance with the practice in previous year, an enhanced version of the Annual Report be produced in order to promote the work of the Joint Committee.

## **6 Clydeplan Development Plan Scheme and Participation Statement 2018/19**

There was submitted a report by the Strategic Development Plan Manager relative to the Development Plan Scheme and Participation Statement 2018/19.

The report intimated that as part of the Planning etc (Scotland) Act 2006, planning authorities were expected to publish a Development Plan Scheme and Participation Statement and review it on an annual basis. Clydeplan published its first Development Plan Scheme and Participation Statement on 31 March, 2009, with subsequent revisions published annually in March. This year, given the terms of the Planning (Scotland) Bill and following discussions with the Scottish Government the Development Plan Scheme and Participation Statement 2018/19 had been reduced in scope to reflect the current position in respect of the legal challenge to the Clydeplan Strategic Development Plan; the terms of the Planning (Scotland) Bill which had been published in December 2017 and which sought the removal of the statutory requirement to prepare Strategic Development Plans and introduced a statutory duty on planning authorities to provide information to assist preparation of the next National Planning Framework; and the emerging context of the Glasgow City Regional Partnership in delivery of the Glasgow City Region Economic Strategy Action Plan.

A copy of the Development Plan Scheme and Participation Statement 2018/19 was appended to the report.

It was proposed that the Strategic Development Plan Manager issue the Development Plan Scheme and Participation Statement 2018/19 to MSPs for information. This was agreed.

### **DECIDED:**

(a) That the Development Plan Scheme and Participation Statement 2018/19, as set out in the appendix to the report, be adopted;

(b) That the Strategic Development Plan Manager make the necessary arrangements for publication and distribution to all local libraries throughout the city region, on Clydeplan's website and Scottish Ministers; and

(c) That the Strategic Development Plan Manager issue the Development Plan Scheme and Participation Statement 2018/19 to MSPs for information.

## **7 Glasgow and The Clyde Valley Green Network Partnership - Administering Partner Arrangements**

There was submitted a report by the Strategic Development Plan Manager relative to a request that Renfrewshire Council continue its role as administering partner in respect of the Glasgow and the Clyde Valley Green Network Partnership (GCVGNP).

The report intimated that Renfrewshire Council, in line with its 'host authority' role for the Joint Committee, had agreed to act as the administering partner with responsibility for the employment of the Partnership staff and also act as Treasurer to the Partnership. As the administering partner and for reasons of continuity, it was proposed that Renfrewshire Council be asked to extend this role until 31 March 2019.

The GCVGNP Board oversaw the strategic direction and development of the Green Network programme. A small Executive Team of three full-time members of staff, led by a Programme Manager, were responsible for the development and delivery of the programme and were employed on temporary contracts linked to the period of funding for the Partnership which had been extended until 31 March 2019.

It was noted that local authority contributions had been agreed by the Joint Committee in December 2017 and not December 2018 as stated in the report.

**DECIDED:**

(a) That Renfrewshire Council be requested to continue its role as the administering partner for the Green Network Partnership until 31 March 2019;

(b) That the decision to extend the contracts of employment for the Green Network Executive Team to 31 March 2019 be endorsed; and

(c) That it be noted that local authority contributions had been agreed by the Joint Committee in December 2017 and not December 2018 as stated in the report.

## **8 Clydeplan Planning Performance Framework Feedback 2016/17**

There was submitted a report by the Strategic Development Plan Manager relative to the Scottish Government's feedback on Clydeplan's Planning Performance Framework 2016/17 and proposed changes to performance monitoring as specified in the Planning (Scotland) Bill.

The report intimated that the Planning Performance Framework, covering the period April 2016 to March 2017, had been submitted to the Scottish Government on 10 July 2017.

It was noted that Clydeplan's performance had been assessed positively on its plan preparation performance; culture of continuous improvement; and collaborative approach to sharing good practice, skills and knowledge between authorities with all categories rated as green.

The Minister for Local Government and Housing, Kevin Stewart MSP, had written to the Convener of the Joint Committee on 3 January 2018 and a copy of his letter and feedback report were appended to the report.

It was proposed that the Strategic Development Plan Manager arrange for the Scottish Government's feedback report to be issued to (i) a wider audience via social media and (ii) officers in constituent councils requesting that they provide this information to their respective Councils via the appropriate committee/board. This was agreed.

**DECIDED:**

(a) That the Scottish Government's feedback on Clydeplan's Planning Performance Framework 2016/17, as appended to the report, be noted; and

(b) That the Strategic Development Plan Manager arrange for the Scottish Government's feedback report to be issued to (i) a wider audience via social media and (ii) officers in constituent councils requesting that they provide this information to their respective Councils via the appropriate committee/board.

## **9 Corporate Purchasing Card Expenditure**

There was submitted a report by the Treasurer and the Strategic Development Plan Manager detailing the list of expenses incurred through corporate procurement card payment by type and employee for the period 11 November 2017 to 2 February 2018.

**DECIDED:** That the report be noted.

## **10 Annual Audit Plan 2017/18**

There was submitted a report by Audit Scotland relative to the annual audit plan 2017/18 for the Joint Committee which outlined Audit Scotland's planned activities in their audit for the 2017/18 financial year.

The report highlighted that the annual audit plan 2017/18 included a section on Audit Issues and Risks and that within this section Audit Scotland had identified a risk of 'management override of controls'. This risk had been included in the audit plans of all bodies which Audit Scotland worked with, in light of updated international standards on auditing. The inclusion of this risk was not a reflection of increased risk within the Joint Committee and Audit Scotland had confirmed that they had not found any issues on this in previous years.

**DECIDED:** That Audit Scotland's annual audit plan 2017/18 be noted.

## **11 Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Joint Committee would be held on 11.15 am on 11 June 2018 in Glasgow City Council Exchange House, George Street, Glasgow.



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

**To:** Joint Committee

**On:** 11 June 2018

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**Report by:** The Treasurer

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**Heading:** Unaudited Annual Accounts 2017-18

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**1. Summary**

- 1.1 The attached Annual Accounts for the year ended 31 March 2018 have been completed and forwarded to Audit Scotland for audit.
- 1.2 The accounts show a deficit for the year of £11,492 against a budgeted breakeven position. Further comments on the Accounts are shown on pages 4 to 6 of the report.
- 1.3 In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the unaudited accounts have only been signed by the Treasurer as proper officer. The audited accounts will be signed by the Convener and the Strategic Development Plan Manager, as well as the Treasurer, in accordance with the regulations.
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**2 Recommendations**

- 2.1 The Joint Committee is asked to note the Accounts and that, once the audit has been completed, the audited Accounts will be further presented to the Joint Committee for approval.
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## Annual Financial Statements 2017/18



**Glasgow & the Clyde Valley Strategic Development Planning Authority  
Annual Accounts 2017/18**

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## **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 9 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 Scottish Ministers on the 24<sup>th</sup> July 2017.

2017/18 saw a number of important developments in respect of strategic development planning which will have significant implications for the future role and work of the GCVSDPA.

Firstly, following approval of the Plan, legal action was commenced by Gladman Developments Limited who appealed against Scottish Ministers approval of the plan, citing Clydeplan as an interested party. This challenge was heard in the Inner House of the Court of Session and a decision to refuse the appeal was delivered by Lord Carloway, the Lord President on 20<sup>th</sup> March 2018. This matter has taken up both human and cost resource during 2017/18, and award of costs will be pursued if appropriate.

Secondly, the ongoing review of planning governance has continued with the Planning Bill introduced by the Cabinet Secretary for Communities, Social Security and Equalities, Angela Constance MSP, on 4 December 2017. As anticipated, given the nature of the independent panel's review recommendations, the Bill proposes the removal of Strategic Development Plans from the development plan hierarchy. However, the Policy Memorandum which accompanies the Bill, continues to describe strategic planning as *"an essential element of the overall planning system"* and states that *"Authorities should have the scope and flexibility to determine the best ways for them to*

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*work together in bespoke regional partnerships, covering their shared interests; alongside their duties to participate in the production of the NPF, which would include regional planning interests.”*

The Bill is currently going through the parliamentary scrutiny process and is anticipated to receive Royal Assent in late September. Given the very specific implications of the Bill, Clydeplan has actively engaged in the parliamentary call for evidence including participation in an oral evidence session at the Local Government and Communities Committee on 7th March 2018.

Finally, the direction of travel set within the Bill towards effective bespoke regional partnerships, combined with the continuing development of the Glasgow City Region's Economic Strategic and Action Plan published in February 2017, continue to have implications for the day to day activities of this organisation. In addition to the appointment of a Director of Regional Economic Growth at Glasgow City Region, 3 portfolio lead officers have been appointed on a seconded basis to assist in developing the activities of the 8 city region portfolios. Clydeplan is now an active participant on a number of these groupings including:

- Land Use and Sustainability;
- Transport and Connectivity;
- Economic Delivery Group;
- Housing and Equalities;
- Infrastructure and Assets.

Clydeplan is for example providing direct technical support to the Infrastructure and assets portfolio through the development of a North Lanarkshire Pilot Study that will be rolled out city region wide if appropriate. In particular, the Land Use Portfolio is committed to the production of a regional spatial strategy and Clydeplan will play an active role in supporting its preparation. Clydeplan's involvement in these City Region activities is likely to increase during 2018/19.

The principle focus for 2018/19 will involve working closely with Clydeplan's Steering Group to: consider the implications of the emerging Planning legislation due in September 2018 and develop an appropriate work programme in support of the work streams emerging for both Clydeplan and the Glasgow City Region portfolios.

## **Financial Performance**

### **Revenue**

The Comprehensive Income and Expenditure Account on page 16 summarises the total costs of providing services and the income available to fund those services.

The Joint Committee has returned a deficit of £11,492 for the financial year 2017/18. This deficit 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 £53,000 and accrued employee benefits £829.

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



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	Budget £	Actual £	Variance £
Employee Costs	430,000	437,020	(7,020)
Property Costs	67,500	61,680	5,820
Supplies and Services	43,300	60,299	(16,999)
Contractors & Others	9,000	29,012	(20,012)
Administrative Costs	41,800	36,279	5,521
Payments to Other Bodies	7,100	3,690	3,410
<b>Total Expenditure</b>	<b>598,700</b>	<b>627,980</b>	<b>(29,280)</b>
Requisition Income	(579,500)	(579,500)	-
Other Income	(19,200)	(36,988)	17,788
<b>Total Income</b>	<b>(598,700)</b>	<b>(616,488)</b>	<b>17,788</b>
<b>(Surplus)/Deficit for Year</b>	<b>-</b>	<b>11,492</b>	<b>(11,492)</b>

The overspend in Employee Costs is mainly due to Salaries, whereby there was backfilling of a seconded post. Income has been received for the secondment from City Region Team to offset the salary cost.

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 overspend in Supplies and Services is the result of the costs associated with the Strategic Development Plan and an IT software update to Microsoft Outlook.

Consultancy fees incurred in respect of the preparation of the legal challenge by Gladman Developments Limited and 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 17/18.

Other Income is over recovered due to the income received from the Glasgow Green Network to cover the administration support by GCVSDPA employees and also secondment income from City Region Team at Glasgow City Council. This is offset by the overspend in Employee Costs.

### **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 £276,749.

The balance on revenue reserves is made up as follows:

Strategic Development Plan Contingency Fund	£173,332
General Reserves	£103,417
<b>Balance at 31 March 2018</b>	<b>£276,749</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.

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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 17. The appointed actuaries have confirmed a net liability position of £0.264 million, a decrease of £0.676 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 provide sufficient security and income to meet future pension liabilities.

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

Subject to any amendments to the Planning Bill which will be considered at Stage 2 of the Bill's progress in June 2018, and given the Scottish Government's intention to remove strategic development plans from the hierarchy of development plans, in all likelihood the requirement for SDP3 will be removed. However, the Glasgow City Region's Economic Strategic and Action Plan contains a commitment to prepare a regional land use spatial strategy to support the economic strategy and Clydeplan's core team will continue to have a significant role in that regard.

The governance arrangements around both the Steering Group and Clydeplan Joint Committee may require to be revisited over the next 12-18 months although this is also dependent on the activities and approach of the Glasgow City Region and its Cabinet. Clydeplan will continue to keep both its Steering Group and Joint Committee apprised of these significant contextual changes and will work closely with its partners to develop a work programme that remains relevant to the delivery of Clydeplan's vision as well as the emerging Glasgow City Region agenda.

### **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 2018/19 remain at 2017/18 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.

## **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.

### **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 2018.

**Alan Russell CPFA**

Treasurer

11 June 2018

## **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.clydepaln-sdpa.gov.uk/planning-authority/joint\\_committee](http://www.clydepaln-sdpa.gov.uk/planning-authority/joint_committee), 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.
- Business continuity arrangements are in place and are kept under review by the management Team.

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,

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- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts,
- 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.

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

The ongoing review of the Scottish Planning System which has recommended 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.

The draft Planning Bill was introduced in December 2017. The Bill will repeal the provisions requiring the formation of Strategic Development Planning Authorities and the production of Strategic Development Plans. If passed by Parliament this will result in the cessation of Clydeplan in its current form.

The Planning Bill parliamentary scrutiny period is ongoing and it is anticipated that the Bill will be enacted in September 2018 with transitional arrangements to the new system to follow thereafter. It is understood that these arrangements will be aligned to publication of the Scottish Government's new National Planning Framework which is due in 2020.

As a consequence of the Bill the future role of strategic planning (and Clydeplan) in the West of Scotland is currently under consideration by the emerging Glasgow City Region partnership. Clydeplan are actively participating in those discussions though no definitive decisions, regarding the role, functions, governance or staffing, have been made.

### **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.

## 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 51.7% 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.

2016/17	Senior Employees		2017/18
Total Salary, fees and allowances	Name	Post Held	Total Salary, fees and allowances
£			£
71,721	Stuart Tait	Strategic Development Plan Manager	72,481
49,932	Dorothy McDonald	Assistant Strategic Development Plan Manager	51,266
<b>121,653</b>	<b>Total</b>		<b>123,747</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 2018, 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.



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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>2016/17</b>	Member contribution rates on earnings in the bands below	<b>2017/18</b>
Up to £20,500	5.5%	Up to £20,700
£20,501 to £25,000	7.25%	£20,701 to £25,300
£25,001 to £34,400	8.5%	£25,301 to £34,700
£34,401 to £45,800	9.5%	£34,701 to £46,300
Over £45,801	12%	Over £46,301

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>		Accrued Pension benefits as at 31 March 2018		Change in accrued pension benefits since 31 March 2017		Pension contributions made by Joint Committee during 2017-2018
Name	Post Held					
		Pension £m	Lump Sum £m	Pension £m	Lump Sum £m	(i) £
Stuart Tait	Strategic Development Plan Manager	0.031	0.058	+0.003	+0.001	13,981
Dorothy McDonald	Assistant Strategic Development Plan Manager	0.022	0.041	+0.003	+0.002	9,889
		<b>0.053</b>	<b>0.099</b>	<b>+0.006</b>	<b>+0.003</b>	<b>23,869</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.



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#### **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 2017/18, in bands of £5,000.

2016/17	Remuneration Band	2017/18
Number of employees		Number of employees
-	£50,000 - £54,999	1
-	£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	-
1		2

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

Glasgow and Clyde Valley Strategic Development Planning Authority agreed no exit packages in 2017-18.

## **Independent Auditor's Report**

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Under arrangements approved by the Accounts Commission, the auditor with responsibility for the audit of the accounts of the Glasgow and the Clyde Valley Strategic Development Planning Authority for the year ended 31 March 2018 is:

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

### **Statement**

The audit of the accounts is not yet complete i.e. the figures are subject to audit. The certified accounts will be presented to the Joint Committee for approval after the audit is complete.

## **Movement in Reserves Statement for the year ended 31 March 2018**

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	£	£	£	£
<b>Balance at 31 March 2016 carried forward</b>		-	(462,000)	(9,964)	(471,964)
<i>Movement in reserves during 2016-17</i>					
<b>Total comprehensive income and expenditure</b>		(5,325)	(446,000)	-	(451,325)
Adjustments between accounting basis and funding basis under regulations	7a & 7b	35,079	(32,000)	(3,079)	-
Transfer from Creditors	7a	258,487			258,487
<b>Net increase or (decrease) before transfers to other statutory reserves</b>		<b>288,241</b>	<b>(478,000)</b>	<b>(3,079)</b>	<b>(192,838)</b>
Transfers to or (from) other statutory reserves		-	-	-	-
Transfer to creditors	14	(288,241)	-	-	(288,241)
<b>Increase or (decrease) in 2016-17</b>		<b>-</b>	<b>(478,000)</b>	<b>(3,079)</b>	<b>(481,079)</b>
<b>Balance at 31 March 2017 carried forward</b>		<b>-</b>	<b>(940,000)</b>	<b>(13,043)</b>	<b>(953,043)</b>
<i>Movement in reserves during 2017-18</i>					
<b>Total comprehensive income and expenditure</b>		<b>(90,321)</b>	<b>754,000</b>	<b>-</b>	<b>663,679</b>
Adjustments between accounting basis and funding basis under regulations	7a & 7b	78,829	(78,000)	(829)	-
Transfer from Creditors	7a	288,241			288,241
<b>Net increase or (decrease) before transfers to other statutory reserves</b>		<b>276,749</b>	<b>676,000</b>	<b>(829)</b>	<b>951,921</b>
Transfers (to) or from other statutory reserves		-			-
Transfer to creditors	14	(276,749)			(276,749)
<b>Increase or (decrease) in 2017-18</b>		<b>-</b>	<b>676,000</b>	<b>(829)</b>	<b>675,171</b>
<b>Balance at 31 March 2018 carried forward</b>		<b>-</b>	<b>(264,000)</b>	<b>(13,872)</b>	<b>(277,872)</b>

## **Comprehensive Income and Expenditure Statement for the year ended 31 March 2018**

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>2016/17</b>			<b>2017/18</b>
£		Note	£
435,708	Employee Costs		490,849
58,669	Property Costs		61,680
36,182	Supplies & Services		60,299
16,006	Contractors		29,012
36,022	Administration Costs		36,279
4,041	Payments to Other Bodies		3,690
<b>586,628</b>	<b>Cost of Services</b>		<b>681,809</b>
(15,105)	Other Income		(34,699)
13,302	Financing & Investment Income & Expenditure	10	22,711
(579,500)	Requisitions from Members Authorities	15	(579,500)
<b>5,325</b>	<b>(Surplus) or deficit on the provision of services</b>		<b>90,321</b>
446,000	Actuarial (Gains) or losses on pension assets and liabilities	17a	(754,000)
446,000	<b>Other Comprehensive Income &amp; Expenditure</b>		<b>(754,000)</b>
<b>451,325</b>	<b>Total Comprehensive Income &amp; Expenditure</b>		<b>(663,679)</b>

## Balance Sheet as at 31 March 2018

The **balance sheet** shows the value as at 31 March 2018 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.

2016/17 £		Note	2017/18 £
	<b><u>Current Assets</u></b>		
433,301	Funds held by Renfrewshire Council		388,033
17,997	Debtors and Prepayments	12	11,205
<u>451,298</u>			<u>399,238</u>
	<b><u>less Current Liabilities</u></b>		
(464,341)	Creditors And Accruals	13	(413,110)
<u>(13,043)</u>	<b>Net (Liabilities)/Asset Excluding Pension</b>		<u>(13,872)</u>
	<b><u>Long Term Liabilities</u></b>		
(940,000)	Pension (liability)/Asset	7b	(264,000)
<u>(953,043)</u>	<b>Net (Liabilities)/Asset Including Pension</b>		<u>(277,872)</u>
	<b><u>Represented by:</u></b>		
	<b>Useable Reserves</b>		
(288,241)	Balance due to Member Authorities		(276,749)
288,241	Transfer to Creditors	7a	276,749
	<b>Unuseable Reserves</b>		
(13,043)	Employee Statutory Adjustment Account	7c	(13,872)
(940,000)	Pension Reserve	7b	(264,000)
<u>(953,043)</u>			<u>(277,872)</u>

The unaudited accounts were authorised for issue on 11 June 2018.  
Balance Sheet signed by:

**Alan Russell CPFA**  
Treasurer  
11 June 2018

## **Cash flow Statement for the year ended 31 March 2018**

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>2016/17</b>		<b>2017/18</b>
<b>£</b>		<b>£</b>
	<b>Operating Activities</b>	
	<b>Cash Inflows</b>	
(716,506)	Other receipts from operating activities	(746,612)
(2,698)	Interest received	(2,289)
<b>(719,204)</b>	<b>Cash inflows generated from operating activities</b>	<b>(748,901)</b>
	<b>Cash Outflows</b>	
348,657	Cash paid to and on behalf of employees	364,517
349,999	Cash paid to suppliers for goods and services	359,315
66,496	Other payments for operating activities	70,338
<b>765,152</b>	<b>Cash outflows generated from operating activities</b>	<b>794,170</b>
<b>45,948</b>	<b>Net (increase)/decrease in cash and cash equivalents</b>	<b>45,269</b>
479,250	Cash and cash equivalents at the beginning of the reporting period - short term deposits with Renfrewshire Council	433,302
433,302	Cash and cash equivalents at the end of the reporting period - short term deposits with Renfrewshire Council	388,033
<b>45,948</b>	<b>Net cash outflow in cash and cash equivalents in year</b>	<b>45,269</b>

## **Note 1 Expenditure Funding Analysis for the year ended 31 March 2018**

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>2017/18</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 2018	11,492			11,492
Employee Statutory Adjustment		829		829
Pension Cost			53,000	53,000
Pension Interest			25,000	25,000
<b>(Surplus) or deficit on the provision of service</b>				<b>90,321</b>

<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
Approved draw on reserves	-			-
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>64,832</b>

## **Note 2 Accounting Policies**

The Financial Statements for the year ended 31 March 2018 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 2017/18, (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 the 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.



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- 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.

#### 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. 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 17 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 6 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.

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.

## **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 3 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 4 Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 2, 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 11 provides further information.
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## **Note 5 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 2018 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

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<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 £0.452 million. However, the assumptions interact in complex ways. During 2017/18, the appointed actuaries advised that the net pension asset had increased by £0.754 million attributable to updating of the financial assumptions.

## **Note 6 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 2018, 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 7 Details of Movement in Reserves**

### **a. Revenue Reserve**

<b>2016/17</b>		<b>2017/18</b>
£		£
(258,487)	Balance as at 1 April	(288,241)
(32,000)	Transfer to pension reserve	(78,000)
(3,079)	Transfer to employee statutory adjustment account	(829)
-	Transfers to or (from) other statutory reserves	-
5,325	(Surplus) or Deficit on provision of services (from the Comprehensive Income & Expenditure Account)	90,321
<b>(288,241)</b>	<b>Balance as at 31 March</b>	<b>(276,749)</b>

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

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**b. Pension Reserve**

<b>2016/17</b>		<b>2017/18</b>
<b>£</b>		<b>£</b>
(462,000)	Balance as at 1 April	(940,000)
(446,000)	Actuarial Gains and Losses (see note 17)	754,000
(32,000)	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	(78,000)
<b>(940,000)</b>	<b>Balance as at 31 March</b>	<b>(264,000)</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.

**c. Employee Statutory Adjustment Account**

<b>2016/17</b>		<b>2017/18</b>
<b>£</b>		<b>£</b>
(9,964)	Balance as at 1 April	(13,043)
9,964	Reversal of prior year accrual for short-term accumulating compensated absences	13,043
(13,043)	Recognition of the accrual for short-term accumulating compensating absences at 31 March	(13,872)
<b>(13,043)</b>	<b>Balance as at 31 March</b>	<b>(13,872)</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 8 Reconciliation of the Balance on the Comprehensive Income and Expenditure Statement to the Movement in Reserves Statement**

The deficit for the year on the Revenue Reserves was £78,829 less 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.

2016/17 £		2017/18 £
<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>		
(89,000)	Net charges made for retirement benefits in accordance with IAS19	(138,000)
(3,079)	Net charges for employment short-term accumulating absences	(829)
<u>(92,079)</u>		<u>(138,829)</u>
<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>		
<u>57,000</u>	Employers contributions payable to the Strathclyde Pension Fund	<u>60,000</u>
<u>(35,079)</u>	<b>Net additional amount required to be debited or credited to the Revenue Reserves balance for the year</b>	<u>(78,829)</u>

## **Note 9 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 £5,761 (2016-17 - £29,639 deficit), against a budgeted breakeven position. The deficit is a result of a reduction in income from Forestry Commission Scotland (FCS) and Project Income from the Central Scotland Green Network (CSGN).

The GNP is a significant regional component of the CSGN. As a result, the GNP secures additional funding for various projects related to the CSGN. The total project expenditure by the GNP during 2017-18 was £10,127 (2016-17, £212,262). 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>2016/17</b>			<b>2017/18</b>
£	Council	Percentage	£
5,589	East Dunbartonshire	3.2%	5,589
4,758	East Renfrewshire	2.7%	4,758
31,019	Glasgow City	17.9%	31,019
4,322	Inverclyde	2.5%	4,322
17,306	North Lanarkshire	10.0%	17,306
9,040	Renfrewshire	5.2%	9,040
16,497	South Lanarkshire	9.5%	16,497
4,855	West Dunbartonshire	2.8%	4,855
<b>93,386</b>	<b>Funding From Authorities Represented by GCVSDPA</b>	<b>53.8%</b>	<b>93,386</b>
	<b>Other Government Agencies</b>		
32,955	Forestry Commission	17.2%	29,796
14,008	Glasgow Centre for Population Health	8.1%	14,008
4,669	Scottish Environmental Protection Agency	2.7%	4,669
31,514	Scottish National Heritage	18.3%	31,782
<b>83,146</b>	<b>Total From Other Government Agencies</b>	<b>46.2%</b>	<b>80,255</b>
<b>176,532</b>	<b>TOTAL</b>	<b>100.0%</b>	<b>173,641</b>

### 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 2018. 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.

<b>2016/17</b>		<b>2017/18</b>
	<b><u>Reserves Represented by:</u></b>	
	<b>Useable Reserves</b>	
(94,122)	Balance due to Partnership Members	(88,361)
	<b>Unuseable Reserves</b>	
(3,498)	Employee Statutory Adjustment Account	(4,824)
(469,000)	Pension Reserve *	(107,000)
<b>(566,620)</b>		<b>(200,185)</b>

\*Note: 2016/17 Pension Reserve restated



## **Note 10 Financing & Investment Income**

<b>2016/17</b>		<b>2017/18</b>
£		£
(2,698)	Interest on Balances	(2,289)
16,000	Pension Interest Cost	25,000
<b>13,302</b>	<b>Total Financing &amp; Investment Income</b>	<b>22,711</b>

## **Note 11 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 (2016/17 £29,250). The cost of the total lease agreement, including the proportion paid by The Green Network Partnership is detailed below:

<b>2016/17</b>		<b>2017/18</b>
£		£
	Future Minimum Lease Payments	
44,604	- not later than one year	44,180
70,230	- later than one year and not later than five years	26,050
-	- later than five years	-
<b>114,834</b>		<b>70,230</b>

## **Note 12 Debtors**

<b>2016/17</b>		<b>2017/18</b>
£		£
6,851	Scottish Government	0
11,146	Other entities and individuals	11,205
<b>17,997</b>	<b>Total short term debtors</b>	<b>11,205</b>

## **Note 13 Creditors**

<b>2016/17</b>		<b>2017/18</b>
£		£
288,241	Other local authorities	276,749
13,043	Short term accumulating absences	13,872
25,099	Accrued payrolls	27,263
133,689	Studies funding	92,165
4,269	Other entities and individuals	3,061
<b>464,341</b>	<b>Total short term creditors</b>	<b>413,110</b>



## **Note 14 Transfer to Creditors**

2016/17		2017/18
£		£
<b>(288,241)</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>(276,749)</b>

## **Note 15 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 (2016/17 £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 2018 was £18,900 (2016/17 £18,900).

2016/17			2017/18
£	Council	Percentage	£
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 16 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 2017-2018 were £2,810 (£2,770 in 2016/17). There were no fees paid to Audit Scotland in respect of any other services.

## **Note 17 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.

## 17a. 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.

The following transactions have been made in the accounting statements in 2017-2018:

2016/17		Note	2017/18
£			£
	<b>Comprehensive Income &amp; Expenditure Statement</b>		
	<b>Cost of Services</b>		
73,000	Current service cost	(i)	113,000
-	Past service cost/(gain)	(ii)	-
-	Settlements & curtailments	(iii)	-
<u>73,000</u>			<u>113,000</u>
	<b>Financing &amp; Investment Income &amp; Expenditure</b>		
16,000	Net interest	(iv)	25,000
<u>89,000</u>	<b>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</b>		<u>138,000</u>
	<b>Other post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		
(591,000)	Return on assets excluding amounts included in net interest		(155,000)
1,037,000	Actuarial (gains) and losses arising on changes in financial assumptions		(599,000)
<u>446,000</u>	<b>Total Actuarial (gain) or loss</b>		<u>(754,000)</u>
<u>535,000</u>	<b>Total post employment benefit charged to the Comprehensive Income and Expenditure Statement</b>		<u>(616,000)</u>
	<b>Movement in Reserves Statement</b>	(v)	
478,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code		(676,000)
<u>57,000</u>	<b>Employers Contributions paid to Strathclyde Pension Fund</b>		<u>60,000</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 (£78,000).

The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2017/18 these amounted to £8,507 (2016/17 £8,424).

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In addition to the recognised gains and losses included in the Comprehensive Income and Expenditure Statement, actuarial gain of £0.754 million are included in the Movement in Reserves Statement (2016/17 £0.446 million loss).

**17b. 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:

2016/17		2017/18
£000		£000
3,454	Opening present value	4,639
73	Current service cost	113
121	Interest Cost	121
22	Employee Contributions	23
	Remeasurement (gains)/losses:	
1,037	Actuarial (gains)/losses arising from changes in financial assumptions	(599)
(68)	Benefits Paid	(68)
<b>4,639</b>	<b>Closing present value of scheme liabilities</b>	<b>4,229</b>

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

2016/17		2017/18
£000		£000
2,992	Opening Fair Value	3,699
105	Interest Income	96
	Remeasurement gain/(loss):	
591	Return on assets excluding amounts included in net interest	155
57	Contributions from employer	60
22	Contributions from employee	23
(68)	Benefits Paid	(68)
<b>3,699</b>	<b>Closing fair value of scheme assets</b>	<b>3,965</b>

**17c. Fund history**

	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000
Present Value of Liabilities	(2,693)	(3,713)	(3,454)	(4,639)	(4,229)
Fair value of assets	2,337	2,911	2,992	3,699	3,965
<b>Surplus/(deficit) in the scheme</b>	<b>(356)</b>	<b>(802)</b>	<b>(462)</b>	<b>(940)</b>	<b>(264)</b>

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

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The net liability of £0.264 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 £0.060 million

**17d. 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 2017.

The principal assumptions used by the actuary have been:

2016/17	Financial Year:	2017/18
	<b>Mortality assumptions</b>	
	Longevity at 65 for current pensioners	
22.1 years	• Men	21.4 years
23.6 years	• Women	23.7 years
	Longevity at 65 for Future pensioners	
24.8 years	• Men	23.4 years
26.2 years	• Women	25.8 years
4.4%	Rate of increase in salaries	3.6%
2.4%	Rate of increase in pensions	2.4%
2.6%	Rate for discounting scheme liabilities	2.7%
	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%

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

2016/17			2017/18
£000		Percentage	£000
	<b>Equity Securities</b>		
352	Consumer	0.0%	-
278	Manufacturing	0.0%	-
110	Energy and Utilities	0.0%	-
257	Financial Institutions	0.0%	-
150	Health and Care	0.0%	-
213	Information Technology	0.0%	-
-	Other	28.7%	1,139
<b>1,360</b>	<b>Total Equity</b>	<b>28.7%</b>	<b>1,139</b>
	<b>Private Equity</b>		
305	All	8.9%	351
<b>305</b>	<b>Total Private Equity</b>	<b>8.9%</b>	<b>351</b>
	<b>Real Estate</b>		
446	UK Property	11.8%	470
-	Overseas Property	0.0%	-
<b>446</b>	<b>Total Real Estate</b>	<b>11.8%</b>	<b>470</b>
	<b>Investment Funds &amp; Unit Trusts</b>		
1189	Equities	31.8%	1,261
208	Bonds	10.5%	414
2	Commodities	0.1%	-
-	Infrastructure	0.0%	-
50	Other	5.1%	203
<b>1,449</b>	<b>Total Investment Funds &amp; Unit Trusts</b>	<b>47.4%</b>	<b>1,878</b>
	<b>Derivatives</b>		
-	Inflation	0.0%	-
-	Interest Rate	0.0%	-
-	Foreign Exchange	0.0%	-
-	Other	0.0%	2
<b>0</b>	<b>Total Derivatives</b>	<b>0.0%</b>	<b>2</b>
	<b>Cash &amp; Cash Equivalents</b>		
139	All	3.2%	126
<b>139</b>	<b>Total Cash &amp; Cash Equivalents</b>	<b>3.2%</b>	<b>126</b>
<b>3,699</b>	<b>Total</b>	<b>100%</b>	<b>3,965</b>

**17e. 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 2017-18 and 2018-19.

**Note 18 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**

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

**On: 11<sup>th</sup> June 2018**

**Report by**

**Dorothy McDonald, Assistant Manager**

**Clydeplan Update and Work Priorities**

**1. Summary**

- 1.1 The purpose of this report is for the Joint Committee to note the factors influencing Clydeplan including the progress of the Planning Bill, the National Planning Framework (NPF) refresh, and the Glasgow City Region Partnership, and to consider and approve the Clydeplan work priorities over the coming months.

**2. Recommendations**

- 2.1 It is recommended that the Joint Committee:
- note the factors influencing Clydeplan including the progress of the Planning Bill, the National Planning Framework refresh, and the Glasgow City Region Partnership; and,
  - consider and approve the Clydeplan work priorities based on its Action Programme approved in October 2017.

**3. Planning (Scotland) Bill Update**

- 3.1 A summary of the progression of the Planning Review leading to the introduction of the Planning (Scotland) Bill to the Scottish Parliament on 4<sup>th</sup> December 2017 was provided to the last meeting of the Joint Committee and as members are aware, the Bill has been progressing through the parliamentary scrutiny processes.
- 3.2 The most relevant aspects of the Bill as it pertains to Clydeplan are:
- the removal of the statutory requirement to prepare Strategic Development Plans; and,
  - a requirement on planning authorities to provide information to assist the Scottish Ministers in their preparation of the National Planning Framework.
- 3.3 The parliamentary scrutiny of the Bill is being led by the Scottish Parliament's Local Government and Communities Committee. Other committees that have considered the Bill are the Delegated Powers and Law Reform Committee and the Finance and Constitution Committee.
- 3.4 As part of that process both written and oral evidence has been sought. Clydeplan has submitted its written views to the Local Government and

Communities Committee and in terms of the Financial Memorandum to the Finance and Constitution Committee.

- 3.5 Additionally, a series of oral evidence sessions have been undertaken and on Wednesday 7<sup>th</sup> March 2018, Clydeplan's Manager and Assistant Manager, gave evidence to the Local Government and Communities Committee on a panel that also included:

- Kate Houghton, Policy and Practice Officer, RTPI Scotland;
- Malcolm Fraser, Consultant Architect; and
- Professor Cliff Hague, Emeritus Professor of Planning and Spatial Development, Heriot-Watt University.

- 3.6 Full reports of all the evidence gathered by the Committee, including oral evidence, are available on line at:

<http://www.parliament.scot/parliamentarybusiness/107202.aspx/parliamentarybusiness/CurrentCommittees/107202.aspx>

### **Planning (Scotland) Bill - Parliamentary Scrutiny**

- 3.7 The Local Government and Communities Committee has agreed its final Stage 1 report on the Bill which was published on Thursday 17 May 2018.
- 3.8 The Committee have made recommendations on a number of issues relevant to the Planning Bill and significantly, the Committee have concluded in respect of Strategic Development Planning as follows:

*"95. ....we do not consider that the current statutory framework for regional planning should be repealed unless a more robust mechanism is provided to that currently proposed in the Bill."*

- 3.9 The recommendations in respect of Strategic Development Planning are repeated in full as follows:



### **Stage 1 Report on the Planning (Scotland) Bill - Removal of Strategic Development Plan Recommendations**

92. It is fair to say that views are mixed on the proposal to remove the statutory provisions relating to Strategic Development Plans (SDPs). To the extent that there is support, it is contingent on a commitment to continue with some form of regional spatial planning because, as one witness put it, “people and the natural environment do not obey strict political boundaries.”
93. We note that there are significant concerns about the future of regional spatial planning, a discipline that has a long history in Scotland and has attracted interest and commendation from elsewhere. A number of the planning authorities that comprise Clydeplan wrote of their positive experience and the valuable contribution that regional planning had made to “the successful delivery of regeneration and economic growth in the Glasgow city region in recent years.”
94. It was not clear from the evidence we heard that removing the current provisions for SDPs will lead to a simplification, to streamlining, to cost savings or to more effective planning at a regional scale. There is a risk that the time and effort currently devoted to the four SDPs will be eroded and political support will wane if regional planning becomes a voluntary endeavour.
95. Given this, we do not consider that the current statutory framework for regional planning should be repealed unless a more robust mechanism is provided to that currently proposed in the Bill.
96. We suggest that such a mechanism could include enabling local authorities to work together for strategic planning purposes; and that any agreed plan that arises from that work should then form part of the relevant Local Development Plans (LDPs).

*(Stage 1 Report on the Planning (Scotland) Bill, Local Government and Communities Committee, 2018, page 32)*

- 3.10 The history of Clydeplan and high regard in which it is held is mentioned and the report specifically references the support expressed by Clydeplan’s constituent planning authorities. The Committee notes the 70 year history of regional planning in the Glasgow city-region and quotes the SDP Manager’s contribution at the Committee’s hearing on 7th March 2018, stating that Clydeplan does not want to see the removal of the statutory duty to prepare a SDP but if this duty is removed that a “...*regional spatial strategy is critical to economic delivery and that any role in that regard as part of a regional partnership should be a statutory duty*” (paragraph 79).

The report also highlights that it is unclear that removing SDPs from the statutory planning system will lead to simplification, streamlining, cost savings or more effective regional planning and considers the risks if regional planning becomes voluntary.

- 3.11 Since the Committee's report Kevin Stewart, Minister for Local Government and Housing, has provided the Scottish Government's response to the Stage 1 Report on 24th May 2018 and a full debate in Parliament took place on 29th May 2018.
- 3.12 In the response to the Stage 1 report, the Government have restated that they wish to see a continuing role for strategic planning which could be set out in the National Planning Framework as described in the Technical Paper published in December 2017. The Technical Paper describes a role for strategic planning which includes:
- supporting the co-production of the National Planning Framework;
  - collaborative working that encompasses planning, economy, housing, and infrastructure including transport;
  - providing regional level evidence to help inform and influence a single spatial strategy;
  - identifying regional priorities;
  - coordinating a partnership approach to planning for housing;
  - working with infrastructure providers to develop an infrastructure first approach to plan development;
  - bringing forward innovative solutions to shared challenges such as climate change, green infrastructure and inclusive growth; and
  - supporting the preparation and implementation of a delivery programme for NPF.
- 3.13 The Government have also stated that they will *"seek to amend the Bill at Stage 2 to introduce a clearer duty for local authorities to work together in strategic planning while retaining flexibility about how they wish to do so and about which other authorities they collaborate with."*
- 3.14 The next stage of the parliamentary process (Stage 2) will involve the consideration by the Local Government Committee, of proposed amendments to the Bill which will take place during June. Then an 'as amended' version of the bill is published which is the version of the bill that the Parliament will consider at Stage 3, the final consideration stage. It is anticipated that the Bill will be enacted by the Scottish Parliament in September 2018.
- 3.15 Clearly the Bill, and secondary legislation, will be subject to changes that impact directly on strategic development planning and Clydeplan, as well as wider changes for the planning system as a whole.
- 3.16 Following the Bill's enactment, the process of refreshing Scotland's National Planning Framework and Scottish Planning Policy will commence in earnest and Clydeplan would wish to be in a position to support and influence that process.
- 3.17 All of the above mentioned background papers and reports are available at the following web locations:

## Relevant Reports and Weblinks

Local Government and Communities Committee, Stage 1 Report, Thursday 17th May 2018	<a href="https://digitalpublications.parliament.scot/Committees?utm_source=LGC&amp;utm_campaign=Fonto&amp;utm_medium=website#localgovernmentandcommunitiescommittee">https://digitalpublications.parliament.scot/Committees?utm_source=LGC&amp;utm_campaign=Fonto&amp;utm_medium=website#localgovernmentandcommunitiescommittee</a>
Scottish Government's response to the Local Government and Communities Committee Report, 24th May 2018	<a href="http://www.parliament.scot/S5_LocalGov/Reports/SG_Response_to_LGC_8th_Report_on_S1_of_Planning_Bill.pdf">http://www.parliament.scot/S5_LocalGov/Reports/SG_Response_to_LGC_8th_Report_on_S1_of_Planning_Bill.pdf</a>
Televised Parliamentary Debate, Tuesday 29th May 2018	<a href="https://www.scottishparliament.tv/meeting/debate-planning-scotland-bill-may-29-2018">https://www.scottishparliament.tv/meeting/debate-planning-scotland-bill-may-29-2018</a>
Report of Parliamentary Debate, Tuesday 29th May 2018	<a href="http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11566">http://www.parliament.scot/parliamentarybusiness/report.aspx?r=11566</a>
Review of the Scottish Planning System, Technical Paper, December 2017	<a href="https://beta.gov.scot/publications/places-people-planning-working-paper-practice/">https://beta.gov.scot/publications/places-people-planning-working-paper-practice/</a>

## 4. Glasgow City Region Update

- 4.1 Also impacting on the activities and potentially the governance arrangements of Clydeplan, is the emerging Glasgow City Region Partnership (GCR).
- 4.2 The Glasgow City Region Partnership is continuing to evolve beyond the delivery of the City Deal Infrastructure Investment Fund into a regional partnership model in order to take forward delivery of its Regional Economic Strategy and Action Plan through the themed portfolios.
- 4.3 On 10th April 2018, a key report from Kevin Rush, Director of Regional Economic Growth on governance and organisational arrangements was considered and approved by the Glasgow City Region Cabinet. This report is attached at the **Appendix** to this report.
- 4.4 In summary the report recommended the creation of the Glasgow City Regional Partnership, to sit alongside the Chief Executives' Group with both reporting to the Glasgow City Region Cabinet. The Chief Executives' Group oversees the City Deal Lead Officers' Group and the delivery of City Deal projects. The new Glasgow City Regional Partnership Group will oversee the Economic Delivery Group and delivery of the Regional Economic Strategy and Action Plan. This role is distinct from the Chief Executives' Group whose existing role, with its focus on the oversight of the City Deal programme, remains unchanged (see Figure 1).

- 4.5 Within the recommended organisational changes, the Economic Delivery Group on which Clydeplan sits, becomes a senior officer group with responsibility for the delivery and implementation of the actions within the Regional Economic Strategy and Action Plan.

**Figure 1: Glasgow City Region Partnership Structure Diagram**



Source: Glasgow City Region – City Deal Cabinet meeting 10th April 2018, Item 11 Glasgow City Region Partnership

- 4.6 The Clydeplan Manager, Assistant Manager and Chair of Steering Group met with Kevin Rush, Director of Regional Economic Growth, previously in February 2018 and more recently in May 2018 to discuss the structural implications of these organisational changes for Clydeplan.
- 4.7 The Director of Regional Economic Growth will be taking a report to the 21st June 2018 meeting of the Glasgow City Regional Partnership outlining the potential route forward for a phased implementation of an organisational structure to support the Glasgow City Region activities and both organisations (Clydeplan and Glasgow City Region) will maintain close contact as these matters are progressed.
- 4.8 Increasingly Clydeplan are involved in supporting the activities of the emerging City Region Partnership. Clydeplan are now involved as an active participant in a number of the portfolios including:
- Land Use and Sustainability;
  - Housing and Equalities;
  - Transport and Connectivity; and,
  - Infrastructure and Assets.
- 4.9 Clydeplan has also been involved in discussions around the development of an Intelligence Hub.

#### 4.10 Recent activities have included:

- taking a lead role in developing a Pilot Study on Infrastructure in North Lanarkshire, with a view to rolling this out region-wide. This work stream is being undertaken for the Infrastructure and Assets Portfolio led by East Renfrewshire Council;
- supporting the review of the actions of the Land Use and Sustainability Portfolio;
- supporting the reporting of progress on other portfolios including Infrastructure and Assets and Transport and Connectivity; and
- participation in the Economic Delivery Group which now assumes an overarching role as described earlier.

### 5. Implications for Clydeplan

- 5.1 Given the progress of the Planning Bill and combined with the Glasgow City Region activities, Clydeplan's future processes and governance arrangements will be subject to change.
- 5.2 Discussions are ongoing with the Scottish Government regarding the future direction, timescale and technical/evidential requirements for the new National Planning Framework 4 (NPF4). Work on NPF4 is scheduled to begin following enactment of the Planning Bill in 2018. As mentioned above (Paragraph 3.12), in their response to the Stage 1 report on the Bill, the Scottish Government have restated their commitment to strategic planning and have referred to the role for strategic planning as outlined in their Technical Paper.
- 5.3 These considerations will be important in influencing the continuing role Clydeplan can play in supporting the development of regional planning activities and NPF4.
- 5.4 Clydeplan is maintaining ongoing contact with the Director of Regional Economic Growth and Scottish Government in order to ensure that our ongoing activities remain fully aligned with the requirements of the City Region Partnership and future strategic planning requirements resulting from the Planning Bill.

## 6. Delivering Clydeplan

- 6.1 Despite the lack of clarity around the future legislative context and emerging City Region Partnership arrangements, Clydeplan can continue to deliver relevant activities to support this city region and to support the development of the emerging National Planning Framework 4.
- 6.2 Clydeplan's Action Programme was approved by the Joint Committee in October 2017 and sets out 35 actions which are firmly framed under partnership working to deliver both Clydeplan's Vision and Spatial Development Strategy and the vision of the Glasgow City Region Economic Strategy. These are set out below in Figure 2 and a summary of the actions are set out in Figure 3. The full Action Programme is available online at:

<https://www.clydeplan-sdpa.gov.uk/news/101-strategic-developmentplan-action-programme-published>.

**Figure 2:**  
**Clydeplan Vision and Glasgow City Region Economic Strategy Vision**

### **Clydeplan Vision**

#### **The Place We Want to Create**

By 2036 Glasgow and the Clyde Valley will be a resilient, sustainable compact city region attracting and retaining investment and improving the quality of life for people and reducing inequalities through the creation of a place which maximises its economic, social and environmental assets ensuring it fulfils its potential as Scotland's foremost city region.

### **Glasgow City Region Economic Strategy Vision**

A strong, inclusive, competitive and outward-looking economy, sustaining growth and prosperity with every person and business reaching their full potential

**Figure 3: Clydeplan Strategic Development Plan Action Programme:  
Summary Actions (October 2017)**

### **A City Region Vision - Leadership and Delivery**

- LD1 City Region Placemaking
  - LD2/1 Glasgow City Region - Partnership Working
  - LD2/2 Glasgow City Region - Economic Strategy and Action Plan
  - LD2/3 Glasgow City Region - Monitoring and Intelligence
  - LD2/4 Glasgow City Region - City Deal Infrastructure Projects
- LD3 Identify Regional Priorities
- LD4 Promote and support Glasgow City Centre

### **City Region as a Successful and Sustainable Place**

- SSP1 Delivering Sustainable Economic Growth
- SSP2 Strategic Economic Investment Locations
- SSP3 Network of Strategic Centres
- SSP4 Supporting Infrastructure Delivery
- SSP5 Enabling Delivery of New Homes
  - SSP5/1 - Monitoring Activities
  - SSP5/2 - Housing Need and Demand Assessment
  - SSP5/3 - Activities to Support Delivery
  - SSP5/4 - Knowledge Sharing and Best Practice
- SSP6 Ravenscraig (NPF3 National Development)



### **City Region as a Low Carbon Place**

- LCP1 Collaborative Delivery of a Low Carbon and Natural, Resilient Place
- LCP2 Preparation of Supplementary Guidance for strategic heat infrastructure
- LCP3 Climate Ready Clyde



### **City Region as a Natural Resilient Place**

- NRP1 Preparation of Supplementary Guidance for Forestry and Woodland
- NRP2 Preparation of Supplementary Guidance for construction aggregates
- NRP3 Maximizing the Green Network Benefits including the delivery of the Central Scotland Green Network (CSGN)
- NRP4 Metropolitan Glasgow Strategic Drainage Scheme (NPF3 National Development)
- NRP5 Clyde Marine Planning
- NRP6 Monitoring Activities





(continued)

**Figure 3: Clydeplan Strategic Development Plan Action Programme:  
Summary Actions (October 2017)**

**City Region as a Connected Place**

- CP1 Delivering a Connected Place (NPF3 National Development)
- CP2 Regional Transport Strategy
- CP3 Promote Active Travel (NPF3 National Development)
- CP4 High Speed Rail (NPF3 National Development)



**Development Plan and Development Management Activities**

- DP1 Regional Spatial Strategy Preparation
- DP2 Local Development Plan Preparation
- DP3 Awareness Raising
- DP4 Partnership Working
- DP5 Development Management Activities



6.3 Over the coming months Clydeplan, in partnership with its Steering Group and wider stakeholders, will focus on a number of priority actions within the above list, where Clydeplan has a direct role and influence. These are activities in which Clydeplan is currently engaged. A more detailed work plan will be developed with Clydeplan's Steering Group and progress reported to Joint Committee.

6.4 The priority actions are:

<b>Clydeplan Priority Actions</b>	
<b>A City Region Vision - Leadership and Delivery</b>	
• LD1	City Region Placemaking
• LD3	Identify Regional Priorities
<b>City Region as a Successful and Sustainable Place</b>	
• SSP4	Supporting Infrastructure Delivery
• SSP5	Enabling Delivery of New Homes
• SSP5/2	Housing Need and Demand Assessment
<b>City Region as a Low Carbon Place</b>	
• LCP1	Collaborative Delivery of a Low Carbon and Natural, Resilient Place
<b>City Region as a Natural Resilient Place</b>	
• NRP1	Preparation of Supplementary Guidance: Forestry and Woodland
• NRP2	Preparation of Supplementary Guidance: Construction aggregates
• NRP3	Maximising the Green Network Benefits including the delivery of the Central Scotland Green Network
<b>City Region as a Connected Place</b>	
• CP2	Regional Transport Strategy
<b>Development Plan Activities</b>	
• DP1	Regional Spatial Strategy Preparation
• DP2	Local Development Plan Preparation





## Glasgow City Region - City Deal

### Cabinet

### Report by Director of Regional Economic Growth

Contact: Kevin Rush Phone: 0141 287 4613

## Item 11

10th April 2018

### Glasgow City Region Partnership

#### Purpose of the Report

This report proposes the establishment of a Glasgow City Region Partnership, aligned to the proposals that emerged from the Scottish Government's Enterprise and Skills Review Phase 2, and the delivery of the Glasgow City Region Economic Strategy and Action Plan.

#### Recommendations :

The Cabinet is invited to:

- agree the amended structures and roles and remits as set out in this report; and
- instruct the Director of Regional Economic Growth to establish the new structures and provide a draft meetings schedule at the next meeting of the Chief Executives' Group.

## **Introduction**

1. This report proposes the establishment of a Glasgow City Region Partnership, aligned to the proposals that emerged from the Scottish Government's Enterprise and Skills Review, the progression of the Glasgow City Region Economic Strategy & Action Plan, and the ongoing delivery of the Glasgow City Region City Deal.

## **Background**

2. This report builds upon three recent policy developments that have an impact upon Glasgow City Region (GCR):
  - the proposals around Regional Partnerships which emerged from the Scottish Government's Enterprise and Skills Review Phase 2<sup>1</sup>;
  - the delivery of the Glasgow City Region Economic Strategy and Action Plan, approved by the GCR Cabinet in February 2017<sup>2</sup>; and
  - the continuing delivery of the GCR City Deal projects.
3. Taking these into account, this report proposes the establishment of a Glasgow City Region Partnership and an approach that will meet the requirements of each element. An overview of each element is provided in the following sections:

## **Regional Partnerships**

4. The development of Regional Partnerships (RPs) was a key policy that emerged from the Scottish Government's Enterprise and Skills Review. The approach is explicitly pragmatic and non-prescriptive, however it does identify key requirements that regional partnerships will be expected to meet. Generally, Regional Partnerships should:
  - Be self-assembled around the bespoke requirements of particular regions;
  - Build on existing City Deals and, over time, involve Community Planning Partnerships, universities and colleges;
  - Establish Inclusive Growth as a priority;
  - Assess all City and Growth Deals using the Scottish Government's Inclusive Growth monitoring framework and provide annual reports; and
  - Include private sector representation.
5. The flexibility in the approach allows Glasgow City Region to establish a partnership that reflects local economic circumstances, shared policy priorities, and existing governance arrangements.
6. At the meeting on 15 August 2017, the Cabinet noted and welcomed the approach to the development of Regional Partnerships and agreed to further

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<sup>1</sup> Scottish Government - Enterprise and Skills Review Report on Phase 2: Regional Partnerships; (June 22, 2017) <http://www.gov.scot/Publications/2017/06/1584>

<sup>2</sup> Glasgow City Region Economic Strategy & Action (February 14, 2017) - <http://www.glasgowcityregion.co.uk/article/8798/Councils-Share-Vision-for-Jobs-Skills-and-Inclusive-Growth>

enhance the existing partnerships with the Scottish Government, Government Agencies, the private sector and academia, while progressing the development of the Glasgow City Regional Partnership.

### **Glasgow City Region Economic Strategy & Action Plan**

7. The Glasgow City Region Economic Strategy (RES) 2017-2035 the RES Action Plan were launched in February 2017 and identify 51 ambitions and actions to grow the regional economy. The Action Plan also established 8 policy portfolios, each led by one of the Member Authorities, to provide leadership and accountability in the delivery of these actions during the lifetime of the Strategy.
8. Three Senior Portfolio Development Officers have been appointed to advance the delivery of the RES actions under the themes of People, Place and Business and discussions are underway to align the actions and Cabinet portfolios with those of wider partner organisations in the City Region.
9. The Senior Portfolio Development Officers have now allocated actions across the eight Policy Portfolios and seek to work with the relevant portfolio leads, groups and partners to further the ambitions set out in the RES Action Plan.

### **Existing Glasgow City Region City Deal Structures**

10. Collaboration across Glasgow City Region on the City Deal has formally been in place since January 2015 and the 8 local authorities have a long history of collaboration over matters such as strategic land use planning and strategic transport.
11. The current governance arrangements for the City Region are contained within the Cabinet Agreement that was signed by all 8 member authorities on 21 January 2015. The functions of the Glasgow City Region Cabinet ('the Cabinet'), as set out in the agreement are to:
  - determine the strategic economic development priorities for the Glasgow and Clyde Valley Region;
  - deliver the City Deal, a key element of which will be to: approve business cases, and monitor and evaluate them;
  - report progress to the UK and Scottish Governments on delivery and increase in the GVA in the Glasgow and Clyde Valley Region;
  - Approve the remits of the Independent Commission on Urban Growth, the Glasgow and Clyde Valley Economic Leadership Board, and the Regeneration and Economy Consultative Group; and
  - Deal with any other areas of activity delegated to it by the Member Authorities.
12. The primary function of the Joint Committee is the strategic economic development of Glasgow City Region so this is consistent with the emerging vision for Regional Partnerships proposed by the Scottish Government.

13. In addition to setting the role and functions of the Cabinet, the Joint Committee agreement also defines the functions of the Chief Executives' Group (CEG). Currently, the CEG will have responsibility for the overall supervision and delivery of the City Deal. Currently, the Cabinet meets every 8 weeks and the Chief Executives' Group meets on a 4 weekly cycle.

### **Next Steps**

14. The following sections set out proposals for the role and remit, membership and meeting frequency for each of the relevant structures. A basic diagram is attached at Appendix 1 indicating each of the structures.

### **15. Glasgow City Region Cabinet**

**Role and Remit:** the existing role and remit of the Cabinet will remain unchanged.

**Meeting Frequency:** 8 weekly meetings. In addition to the scheduled Cabinet meetings, a special Cabinet meeting will be arranged every six months at which Ministers from the Scottish & UK Government will be invited to attend. The purpose of these special meetings will be to provide political oversight of the work of the Regional Partnership and specifically to discuss:

- Progress on delivering the GCR Regional Economic Strategy; and
- Driving forward regional collaboration between the MAs and the Scottish & UK Governments.

**Membership:** The membership of the Cabinet will remain unchanged. The main private sector engagement with the City Deal will be through the attendance at the Cabinet of the Chair of the Glasgow City Region Economic Leadership Board.

### **16. GCR Chief Executives' Group**

**Role and Remit:** While the existing role and remit for the Chief Executives' Group will essentially remain unchanged, the draft set out below includes updates to more explicitly emphasise the role of the Group in relation to the City Deal Gateway Review process. The role and remit of the Chief Executives Group is proposed as follows:

- To take operational responsibility individually for the delivery of City Deal activity within their local authority area and collectively for Glasgow City Region City Deal activity.
- To ensure that an effective monitoring and evaluation framework is in place at both a project and programme level, and that each Member Authority is delivering upon its requirements needed to successfully pass the City Deal Gateway Review Process.
- To have responsibility on a collective basis for the overall supervision and management and for the monitoring of the performance of the PMO City Deal.

- To meet in advance of Cabinet to propose a programme of work for the Cabinet.
- To individually prepare briefings for respective Leaders.
- To agree the make-up and responsibilities of the support groups.
- To provide strategic direction and manage the input of the working groups.

**Membership:** the existing membership of the Group will remain unchanged.

**Meeting Frequency:** the meeting cycle for the GCR Chief Executives' Group will change from 4-weekly to quarterly. It is also proposed that an informal quarterly meeting is scheduled for the 8 GCR chief executives to allow the planning of future meeting agendas.

## 17. **Glasgow City Regional Partnership**

**Role and Remit:** The role and remit of the Glasgow City Regional Partnership is intended to be concise and focussed upon the priorities of the city region:

- To provide strategic oversight for the delivery of the strategic priorities and actions contained within the GCR Economic Strategy & Action Plan;
- To drive forward the growth of the economy of the Glasgow City Region;
- To prioritise inclusive growth and provide an annual report in line with the Scottish Government's Inclusive Growth Monitoring Framework;
- To drive increased collaboration and partnership between the 8 Member Authorities, the Scottish & UK Governments and their agencies and the private sector, that is focussed towards delivery of the city region's shared economic priorities;

A proposed **Terms of Reference** (below) provides further clarity on how this would be achieved. The Glasgow City Regional Partnership will be expected to:

- Receive regular reports on the delivery of the individual actions contained within the GCR Economic Action Plan;
- Each Chief Executive will be expected to report on the progress made against the actions that have been aligned to their portfolio.
- Undertake periodic reviews of the GCR Economic Strategy & Action Plan to ensure that it is consistent with the emerging ambitions of the City Region and collaboration with partners.
- Actively promote collaboration among members of the Partnership;
- Provide reports and agenda items for the Glasgow City Region Cabinet relating to the Regional Economic Strategy & Action Plan.

**Membership:** The membership of the Partnership will be at the Chief Executive level of the 8 MAs and senior representatives from the wider partner organisations. The Partnership will be chaired by the Chief Executive of Glasgow City Council and the membership of the Glasgow City Region Partnership will consist of:

- Chief Executives from the 8 GCR MAs;
- Senior representatives from the UK & Scottish Governments;

- A senior representative of Scottish Enterprise;
- A senior representative from Skills Development Scotland
- A representative from the Glasgow City Region Economic Leadership Board
- 2/3 representatives from the Chambers of Commerce of the GCR MAs;

**Meeting Frequency:** quarterly.

## 18. Economic Delivery Group

**Role and Remit:** The current role of the Economic Delivery Group will be updated to reflect the emergence of the Regional Partnership. Under this proposal, the Economic Delivery Group (EDG) will become the Senior Officer Group with responsibility for the delivery and implementation of the actions within the Regional Economic Action Plan

It will be the responsibility of the EDG to clear all reports prior to their submission to the Glasgow City Regional Partnership. The EDG will also take the lead role in engaging with colleges and universities, and with Community Planning Partnerships.

The role and remit of the EDG will be discussed and refined at a Workshop of the EDG that is scheduled to take place in April. However, broadly, the EDG's role and remit will be:

- To take individual and collective responsibility for the delivery and implementation of the individual actions set out within the Regional Economic Strategy & Action Plan;
- To serve as the main officer support group in delivering the priorities of the Glasgow City Region Partnership;
- To clear reports submitted by each of the portfolio groups in relation to progress made against the delivery of their actions from the Regional Economic Strategy & Action Plan;
- To co-ordinate the development of policy and actions around the themes of Business, People and Place;
- To support and assist the progress of individual portfolios in delivering RES

**Meeting Frequency:** Given the role of the EDG in servicing the Regional Partnership, the meeting schedule should fit with the quarterly cycle of meetings of the Partnership. However it is likely that the EDG will require to meet more often and the meeting schedule can be at the discretion of the Chair of the EDG.

**Membership:** The membership of the Economic Delivery Group will consist of senior (Head of Service or above) representation from each of the Member Authorities along with wider partners. It is expected that the wider partners who would participate in the EDG could include:

- Scottish & UK Governments
- Scottish Enterprise,
- Skills Development Scotland, and
- Representative of the Glasgow City Region Economic Leadership Board.



Other partners will be invited to attend the EDG as required and

- DWP
- Colleges and universities
- NHS, and,
- the Voluntary sector

## **19. Glasgow City Region City Deal Lead Officers' Group**

**Role and Remit:** The role and remit of the Lead Officers' Group (LOG) would largely remain unchanged. The one area of change is that the remit of the group will now be restricted only to the delivery of the Glasgow City Region City Deal. This reflects the enhancement to the role of the Economic Delivery Group as the primary support group for the delivery of the Glasgow City Region Economic Strategy & Action Plan. The focus of the LOG will be on the project and programme requirements of the City Deal. The role and remit of the LOG is set out below:

- To have a full understanding of their Local Authority City Deal project(s) and to work in collaboration with the other Lead Officers to achieve cumulative programme objectives.
- To provide progress reports on projects for which they are responsible, including updates on GVA growth in their areas and to review, monitor and report on risks in relation to projects.
- To escalate issues in terms of project or programme delivery.
- To support the CEG, the PMO and the Cabinet. To contribute to the work of the Economic Leadership Board
- To collaborate to achieve the overall GCV City Deal programme objectives.
- To participate in data collection for Gateway reviews
- To be the lead contact for and to champion the GCV City Deal programme within their LA.
- To identify, provide direction to and work alongside any required support groups.

**Meeting Frequency:** 4 weekly.

**Membership:** Membership of the LOG will be the nominated officers from each of the MAs who leads on the delivery of their City Deal projects.

### **Timetable**

20. The Director for Regional Economic Growth will develop a revised meeting timetable to reflect the content of this report and present it at the next Chief Executives' meeting.

### **Recommendations**

21. The Cabinet is invited to:

- agree the amended structures and roles and remits as set out in this report; and
- instruct the Director of Regional Economic Growth to establish the new structures and provide a draft meetings schedule at the next meeting of the Chief Executives' Group.





**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> June 2018**

**Report by  
Dorothy McDonald, Assistant Manager**

**Clydeplan Legal Challenge Update**

**1. Summary**

- 1.1 The purpose of this report is for the Joint Committee to note the outcome of the legal challenge to Clydeplan and progress that is now being made with respect to the Local Development Plans.

**2. Recommendations**

- 2.1 It is recommended that the Joint Committee
- Note and consider the terms of the Court of Session decision, the associated costs and the progress now being made with respect to the Local Development Plans
  - Note the costs incurred thus far and ongoing proceedings to recover costs.

**3. Context**

- 3.1 Following Clydeplan's approval in July 2017, an appeal under section 238 of the Town and Country Planning (Scotland) Act 1997 against Scottish Ministers' decision to approve Clydeplan, was lodged at the Court of Session by Gladman Developments Ltd on 26th October 2017, with Clydeplan cited as an interested party. The central issues are: whether the reporter's findings, which led to the determination of the Housing Land Requirement, had any, or a sufficient, evidential base or conflicted with the SPP; and whether his decision was one which, having regard to the SPP, was adequately reasoned.
- 3.2 Proceedings were heard at Court One of the Court of Session on the 6th and 7th of February 2017. The matters were deliberated by three Law Lords, including the Lord President Lord Carloway who on the 20th March 2018, issued the Court's decision.

**4. Decision**

- 4.1 The challenge to Clydeplan was dismissed (see Appendix). I am advised by our legal advisers that the decision is regarded as emphatic and given even further weight as it was considered by three law lords and issued by the Lord President himself.

- 4.2 Both the decision making process and the Clydeplan Strategic Development Plan itself have withstood this further scrutiny. Furthermore, any suggestion within the grounds of the appellant's challenge that Clydeplan "misled" the Reporter during the examination proceedings, was rejected by the Lord President at paragraph 56 of the decision as follows:

*"The reporter was not deceived by anything said by the interested parties, given that he was aware of the fact that templates, which he did not have, would have been completed to produce the adjusted figures."*

- 4.3 Given the nature of the challenge and the terms of the decision, other matters to highlight include:

- a. future Housing Supply Target/Housing Land Requirement setting exercises should consider incorporating the views of wider stakeholders including Homes for Scotland;
- b. paragraph 50: *"Where policy is an expression of general principles (as the SPP is), it is not to be interpreted as if it were a statute .."*
- c. paragraph 51: *"In this case, the general policy (SPP para 109) is to provide for new homes in certain defined situations. This is to be done (para 110) by the identification of a generous supply of land which will "support the achievement" of the housing land requirement (HLR) across all tenures by maintaining a 5 year supply."*

- 4.4 Given the decision, our legal advisers are currently pursuing award of costs. A motion for costs was submitted by Ledingham Chalmers LLP acting for Clydeplan, however this has been opposed by the appellants. The opposed motion hearing for expenses will take place on 12th June 2018 in the Court of Session and a decision is expected shortly after.

- 4.5 Clydeplan's costs currently stand at approximately £20,000 and the costs to proceed given the contested motion, may extend to an additional £1,500. Provisions for the potential costs are covered within current budgetary provisions under earmarked balances.

- 4.6 This decision now enables the Local Development Plans to proceed without risk and good progress is being made with 6 of the 8 Plans progressing towards adoption within the expected two years following approval of Clydeplan.



**FIRST DIVISION, INNER HOUSE, COURT OF SESSION**

**[2018] CSIH 17  
XA91/17**

Lord President  
Lord Menzies  
Lord Brodie

**OPINION OF THE COURT**

delivered by LORD CARLOWAY, the LORD PRESIDENT

in the Appeal by

GLADMAN DEVELOPMENTS LTD

Appellants

against

THE SCOTTISH MINISTERS

Respondents

and

GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING  
AUTHORITY

Interested Parties

**Appellants: Armstrong QC; Shepherd & Wedderburn LLP  
Respondents: Crawford QC, Burnet; Scottish Government Legal Directorate  
Interested Parties: GA Dunlop; Ledingham Chalmers LLP**

20 March 2018

**Introduction**

[1] This is an appeal against the respondents' decision, dated 24 July 2017, to approve the Glasgow and Clyde Valley Strategic Development Plan (the Clydeplan) as modified.

The Clydeplan was published following upon an examination by a reporter. The findings of his report were adopted by the respondents as their reasoning. The focus of the appeal is on the sub-sections of chapter 6 (City Region as a Successful, Sustainable Place) which set the Housing Land Requirement (HLR) across the whole of the plan area.

[2] The figures in the HLR are important to residential developers because, by a comparison with the annual land audits of sites actually available for development, they will determine whether the interested parties are complying with the Scottish Planning Policy (SPP) requirement (para 110) to identify a generous supply of land which will maintain at least a 5 year supply at all times. A failure to comply would, the appellants maintain, involve applications for planning permission being determined with less weight being placed on the Clydeplan and any local development plan and more on the general SPP (para 33) in favour of sustainable development.

[3] The central issues are: whether the reporter's findings, which led to the determination of the HLR, had any, or a sufficient, evidential base or conflicted with the SPP; and whether his decision was one which, having regard to the SPP, was adequately reasoned. There is a subsidiary point about whether the reporter or the respondents were misled in relation to the availability of evidence to support the Housing Supply Target (HST) figures presented by the interested parties.

[4] The following acronyms are used, although occasionally the full version is repeated to aid understanding:

CHMA	Centre for Housing Market Analysis
HNDA	Housing Need and Demand Assessment
HLR	Housing Land Requirement
HLS	Housing Land Supply



HST	Housing Supply Target
LDP	Local Development Plan
NPF	National Planning Framework
NRS	National Records of Scotland
SDP	Strategic Development Plan
SPP	Scottish Planning Policy
SR & BMR	Social Rented and Below Market Rent

## Policy

[5] The National Planning Framework (NPF) is a plan for the long-term spatial development in Scotland (Town and Country Planning (Scotland) Act 1997, s 3A). It sets out the Government's priorities for the next 20 to 30 years. Scottish Planning Policy (SPP) is intended to assist in the delivery of the NPF's objectives (para 109). NPF3 (*Scotland's Third National Planning Framework*; June 2014) commits (para 2.5) the Government to a significant increase in house building, to ensure that housing requirements are met across the country. More ambitious and imaginative planning is said to be needed to provide a "generous and effective supply of land for housing in a sustainable way" (*ibid* para 2.20).

[6] One of the SPP's stated aims (para 109) is to facilitate new housing development. Provision for new homes is to be made in areas where: economic development is planned; there is a need for regeneration; or where it is required to retain the local population. The "policy principle" (para 110) is that the planning system should:

"identify a generous supply of land for each housing market area ... to support the achievement of the housing land requirement across all tenures, maintaining at least a 5 year supply of effective housing land at all times."

[7] The mode of delivery is for local authorities to identify functional housing market areas; that is geographical areas where the demand for housing is relatively self-contained

(para 111). Planning should be undertaken through joint working by “housing market partnerships”, involving both housing and planning officials, co-operation between authorities, and engagement with social landlords, developers and others (para 112).

[8] Under the heading “Development Planning”, the SPP continues:

“113. Plans should be informed by a robust Housing Need and Demand Assessment (HNDA) prepared in line with the Scottish Government’s HNDA Guidance. This Assessment provides part of the evidence base to inform both local housing strategies and development plans ... It should produce results both at the level of the functional housing market area and at local authority level, and cover All Tenures. Where the Scottish Government is satisfied that the HNDA is robust and credible, the approach used will not normally be considered further at a development plan examination.

...

115. Plans should address the supply of land for all housing. They should set out the housing supply target (separated into affordable and market sector) for each functional housing market area, based on evidence from the HNDA. The housing supply target is a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy, taking into account wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements ... The target should be reasonable, should properly reflect the HNDA estimate of housing demand in the market sector, and should be supported by compelling evidence. The authority’s housing supply target should also be reflected in the Local Housing Strategy.

116. Within the overall housing supply target, plans should indicate the number of new homes to be built over the plan period. This figure should be increased by a margin of 10 to 20% to establish the housing land requirement, in order to ensure that a generous supply of land for housing is provided. The exact extent of the margin will depend on local circumstances, but a robust explanation for it should be provided in the plan.

...

118. Strategic Development Plans should set out the housing supply target and the housing land requirement for the plan area, each local authority area, and each functional housing market area. They should also state the amount and broad locations of land which should be allocated in local development plans to meet the housing land requirement up to year 12 from the expected year of plan approval, making sure that the requirement for each housing market is met in full. ...”.

[9] The SPP repeats (para 123) the requirement to maintain a “generous supply of land for house building” through the provision “of enough effective land for at least five years”.

Housing Land Supply (HLS) is to be managed actively, with planning authorities working with developers to prepare annual housing land audits. Where a shortfall in the 5 year effective supply occurs, “development plan policies ... and will not be considered up-to-date” and the presumption in favour of development would become “a significant material consideration” (paras 125 and 33). This presumption has the potential to override any constraints produced where land identified in an application for residential development falls outwith areas earmarked in local development plans (LDPs) (see *Hopkins Homes v Communities Secretary* [2017] 1 WLR 1865, Lord Gill at para 77 *et seq*).

### **The Background Report**

[10] In January 2016 the interested parties published their proposed Clydeplan; the Strategic Development Plan (SDP) for the Glasgow and Clyde Valley area, covering 8 local authority areas, *viz.*: Inverclyde, Renfrewshire and East Renfrewshire, West and East Dunbartonshire, Glasgow and North and South Lanarkshire. Accompanying the Clydeplan was a Background Report entitled “*Beyond the Housing Need and Demand Assessment*” (HNDA). This was designed (para 1.1) to “describe the translation of the outputs” from an HNDA completed in May 2015. The translation exercise had been carried out under the auspices of the Glasgow and Clyde Valley Housing Market Partnership, which consists of housing and planning officials from each of the 8 authorities. One important matter flagged up *in limine* (para 3.3) was that the housing estimates of this HNDA differed significantly from the previous one (June 2011) as a result of: (i) up to date material from the National Records of Scotland (NRS) on population and household forecasts; (ii) a different HNDA Tool, which based its housing need and demand figures on factors including household formation, income and prices; and (iii) a different approach to “backlog” (existing) need to

reflect new house need only. The differences had resulted in lower estimates of both need and demand and a different balance between that in the “social and below market” sector and that in the private rented and owner occupied sector.

[11] The method adopted by the interested parties in the Background Report was: first, to collate HNDA estimates from the individual local authority areas; secondly, to adjust them; thirdly, to produce the Housing Supply Target (HST); fourthly, to add the SPP’s required generosity quotient (para 116); and, fifthly, to produce the Housing Land Requirement (HLR). This method reflected a diagrammatic scheme (Diagram 1) set out in the SPP. In reaching the HNDA figures, the interested parties considered three “demographic scenarios” predicting future growth. Having regard, *inter alia*, to material contained in an economic outlook report, a “Sustained Growth” model, being generally a mid-ground between High and Low Migration, was chosen. Once each local planning authority’s figures were totalled, the following was produced:

2012 - 2029 <sup>1</sup>		
SR & BMR <sup>2</sup>	Private <sup>3</sup>	Total <sup>4</sup>
39,318	52,535	91,853

[12] Second stage adjustments were made to “reflect how in reality the private sector operates, with home buyers moving house and exercising choice irrespective of local authority boundaries”. This involved, *inter alia*, an apportionment of 6,000 units from Glasgow to surrounding authorities and an overall increase in All-tenure figures. Adjusted figures submitted by each local authority produced the following totals:

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<sup>1</sup> Separate Figures for 2012-2024 and 2024-2029 were provided

<sup>2</sup> Social Rented and Below Market Rent

<sup>3</sup> Private Rented Sector plus Owner Occupied

<sup>4</sup> All-tenure

2012 - 2029		
SR & BMR	Private	Total
39,732	55,407	95,139

[13] In order to arrive at an HST, guidance is supplied by a Managers Guide. This stresses (para 9.1) that the HNDA is to provide the evidence upon which the HST will be based. The HNDA is the starting point, but “policy and practical considerations” are to be taken into account before reaching a view on the level of housing to be delivered. The Guide gives eight examples (para 13.4) of factors to be considered in setting realistic totals. These include: construction capacity; availability of resources; likely pace based on completion rates; planned demolitions; and renovations. The Background Report took these into account and added environmental and social factors.

[14] The local authorities had each been provided with a template to complete in reaching the HSTs (see Background Report para 9.1). Each could add or subtract from the stage 2 adjusted figures according to the weight given to the various factors. This exercise produced the following HST totals:

2012 - 2029		
SR & BMR	Private	Total
31,274	69,701	100,975

[15] The Background Report stated (para 10.1) that the various factors had resulted in a negative adjustment to the social sector:

“to adjust for the likely availability of resources, a more even spread of the social sector across the planning periods, positive adjustments to the private sector and a consequential positive adjustment to the overall all tenure housing supply targets.”

The drop in the social sector had reflected a general transfer of units to the private sector in anticipation of the latter delivering a significant amount of social housing. The increase in the private sector was because of a higher anticipated level of delivery, reflecting past completion rates, and anticipated population and economic growth. It was not thought that the generosity element should be added to the social HST, given “resource planning assumptions” (para 11.2). A 10% figure was applied to the private sector “mindful of the context which includes a generous existing all tenure land supply” (para 11.3). This provided a Housing Land Requirement (HLR) as follows:

2012 - 2029		
SR & BMR	Private	Total
31,274	76,671	107,945

[16] It was estimated that the Housing Land Supply figures were respectively: 17,873; 99,735; and 117,608. The private sector element was noted as being 43% above the HST. The All-tenure figure was higher than that produced by the High Migration scenario (*supra*) favoured by the developers.

### **The proposed Clydeplan**

[17] The proposed Clydeplan stated (para 6.23) that the interested parties were committed to supporting growth in the housing sector by creating high quality places which delivered the right type of homes in the right locations. The HLR would enable ambitious, yet realistic, levels of growth to be planned across the city region. It noted (para 6.27) that the “recent economic downturn” had impacted on the delivery of new housing. Nevertheless, in support of its vision and strategy, the Clydeplan aimed to meet the need

and demand for housing in full by setting a policy context which provided for a generous supply of land.

[18] Under the heading “Assessing housing need and demand in a city region context”, the Clydeplan recorded (para 6.37) that its long-term strategic planning had been informed by the HNDA which had provided the evidence base for identifying housing requirements (para 6.39). The HNDA had been signed off by the Government’s Centre for Housing Market Analysis (CHMA) as “robust and credible” in May 2015. The Clydeplan continued:

“6.42 The housing estimates produced from the HNDA (2015) are lower than the previous HNDA (2011) as a result of:

- the adoption of a different approach to backlog need to reflect only that need which requires an additional house which has significantly reduced backlog need from 85,000 units to 11,700;
- the use of the most up to date National Records of Scotland population and household projections which reflect recent trends in the economy and census figures; and
- the use of the CHMA’s HNDA tool which estimates future housing need and demand based on factors including household formation, income and house prices.

6.43 Although the housing estimates are lower than the previous HNDA, the housing land requirement set out in this Plan, along with continuing additions to the supply through local development plans and the granting of planning permissions, will enable Clydeplan to continue to plan for ambitious yet realistic growth.”

[19] In accepting the Sustained Growth model proposed in the Background Report, the Clydeplan noted that the economic and demographic drivers pointed towards more muted growth than under the previous SDP (May 2011). Adopting the adjusted housing estimates set out in the Background Report, the plan took account of both policy and practical considerations and again followed the Background Report. It produced HST figures for the period 2012 to 2029 rounded up or down from the Background Report of 100,990 (All-tenure) with 31,290 in the social sector and 69,700 in the private sector. The proposed

generosity level of 10% was applied to the private sector to produce the HLR, more precisely described in the Background Report, of 107,960 (31,290 and 76,670).

### **The Examination Report and Clydeplan Adjustments**

[20] A number of developers, including the appellants, made representations about, *inter alia*: the selection of the “Growth Scenario”; the setting of the HLR; the calculation of the HLS and the joint action on delivery. These became issues 10 to 13 which were heard by a reporter (David Liddell) in terms of section 12 of the 1997 Act. The reporter recorded the interested parties’ summary of the representations as including a contention that the Clydeplan’s selection of the Sustained Growth scenario, rather than the High Migration scenario, was planning for decline and would artificially constrain economic growth. The appellants had maintained that this was inconsistent with the Clydeplan’s overall vision. The HNDA had been based on data from a recessionary period, which would inevitably not lead to forward thinking. The significant reduction in the backlog was a measure used to suppress the overall HLR. The approach was reactive to the past, rather than visionary. The interested parties had replied that the plan was appropriately ambitious and rejected suggestions that a higher migration scenario ought to have been adopted or that the HNDA should have been re-run. A rational and evidence based approach had been taken. The evidence base had come from a variety of reports which had been referred to in the Background Report. The selection of the Sustained Growth scenario was based on the NRS household projections.

[21] The reporter noted (Issue 10, conclusions, para 4) that the Government’s CHMA had certified the HNDA as “robust and credible”. There was nothing which would justify examining the HNDA further. The nature of the NRS projections had to be borne in mind



(*ibid* para 5). They were based on past trends. Inward migration had, over the last 10 years, been higher on average than previously assumed. The rate of house completions had also been higher. In relation to the adjustments, the reporter explained that the (rounded up) HNDA figures had been augmented by 2,870 further private homes, taking into account an increase in non-effective stock, and a positive adjustment of 414 for Inverclyde, where the estimated decline in household numbers (at a negative of that figure) had been re-set at zero. He accepted the relevance of the re-assignment of demand from Glasgow, which had been identified in the Background Report.

[22] On the calculation of the HSTs from the adjusted figures, the reporter acknowledged (*ibid* para 11) the calculations in the Background Report, which took into account the likely available resources and past completion rates in the social sector and population and economic growth “ambitions” in the private sector. In relation to the decline in the social sector figure, he said:

“14. I have some difficulty in reconciling the approach taken ... with the stated desire of meeting all existing social sector need within ... either 5 or 10 years. Nor have I seen the kind of ‘compelling evidence’ for the adjustments which SPP says is required.”

[23] The reporter recorded (para 23) that he had asked the interested parties “for further evidence, quantitative if available, on the basis for the specific adjustments made to the HST for each local authority area”. In fact, he may have asked for “an explanation” rather than evidence (see response to a request dated 23 September 2016). In any event, he was informed that no further quantitative evidence was available. The Housing Market Partnership (see *supra*) had met over two days to agree the HSTs. They had started with the adjusted housing estimates and had applied their professional judgment to them. The interested parties had explained that the templates (*supra*), which had been used by the

authorities, illustrated the factors which had been taken into account. These had not been made available nor had there been “detailed evidence” on how, for each local authority, the final figures had been arrived at from the mix of positive and negative factors.

[24] The reporter was conscious (para 16) of the Government’s all Scotland target of 50,000 new affordable homes over a 5 year period, albeit that that target had been formalised after the HSTs had been calculated. The developers had pointed to increased figures for the social sector in the 8 authorities “Strategic Housing Investment Plans” (SHIPs), although these were intended to be “over-programmed” according to the Government guidance. The reporter was not persuaded that the figures in the SHIPs provided a sufficiently robust basis upon which to recommend specific changes to the social sector HST. He accepted that the plan could be assuming levels of delivery in the social sector which could be less than what could now, with the additional Government funding, be achieved in the period to 2021/22. He included additional text to that effect and altered Policy 8 (*infra*) to make it clear that local authorities could remedy any shortfalls in the 5 year supply through the grant of planning permission if certain criteria were met.

[25] The reporter dealt expressly with the significance of the “All-tenure HST” as follows:

“20. ... the all-tenure target is an important consideration ... Every house built and subsequently occupied would contribute to meeting housing need and demand. In setting the HSTs ... a significant proportion of the social sector need was, in effect, transferred to the private sector target. ... the private sector can ... contribute to meeting affordable housing need in a number of ways. It would in any event be for the subsequent LDPs [local development plan] to fix policy on the proportion of homes on new development sites which are to be for affordable housing ... I am satisfied that the Plan, subject to the modifications I recommend, would not act to constrain the provision of such housing should resources and opportunities allow greater levels of delivery than those in the HSTs.”

[26] On the private sector HST, the reporter noted that the HNDA had explained how the approach to the choice of scenarios in the HNDA had been determined. The reporter had

sympathy (para 25) for the view that the process, through which the HSTs had emerged, lacked transparency. He would have found more evidence supporting the figures “helpful”. The material, which he did have, did not amount to “compelling evidence” which the SPP said should underpin the HSTs. He continued:

“25. ... On the other hand, there is perhaps a danger in seeking spuriously precise, numerical justifications for decisions which inevitably rely on a degree of professional judgment.”

[27] The reporter observed (para 26) that the adjustments had taken the private sector HST to (a rounded down) 69,700, being an increase of about 26% on the adjusted estimate. The all-tenure HST of (a rounded down) 100,990 constituted a 6% increase. He continued:

“28. Despite my misgivings about the quality of evidence ..., the [interested parties have] taken into account the factors which SPP says it ought to. For private sector homes, the increase of 26% from the overall adjusted housing estimate is a significant one. As required by SPP, this reflects the HNDA estimate – in fact it significantly exceeds it.”

[28] The reporter acknowledged the inherent uncertainties in the use of projections. The interested parties had said that the background research had indicated little sign of significant economic improvement in the short to medium term. There was a range of views about what level the HSTs should be set at, based upon the most likely economic future. No alternative scenario was clearly more likely than that adopted by the interested parties. He did not consider that there was a fundamental problem with the level of ambition in the plan. The HNDA had been certified as robust and credible. The SPP stated that development plans should plan on the basis of the HNDA. The planning authority were entitled to proceed on the basis of the NRS projections. There was no case for recalculating the HSTs on the basis of the high migration scenario.

[29] In concluding on the HSTs, the reporter said:

“43. The proposed plan is predicated on lower levels of household growth (if not population growth) than was the case for the current SDP. ... I do not characterise this as planning for decline. ... the plan is based on adjusted housing estimates which show a projected growth of 5,600 new households per year, and it has an overall housing supply target of over 100,000 new homes in the period to 2029.

44. On the basis of a HNDA which is robust and credible, ... the HSTs arrived at are reasonable and appropriate. The authority has generally followed the approach advocated in SPP and the HNDA guidance and I see no compelling reason to depart from it.

45. I remain conscious though, of the lack of detailed evidence about how the HSTs were derived from the adjusted housing estimates, and of the potential that economic growth and the need and demand for new housing could still turn out to be higher than is being planned for.”

[30] In relation to the HLR, the reporter concluded that the generosity allowance should apply to the whole of the HST (All-tenure) and not just to the private sector. He did not find that he had strong evidence to support an allowance for generosity which was at the bottom end of the range (10 to 20%) stipulated in the SPP. Increasing the level of generosity would have a relatively modest effect, but it would go some way towards ensuring that there was sufficient land available if need and demand proved greater than projected, or the housing land supply proved to be slow in becoming effective. An allowance of 15% would strike an appropriate balance. This would give a private sector HLR of 80,160 (45% greater than the adjusted private sector estimate). It would be about 16% above the private sector estimate of 69,040 based upon the High Migration scenario. It would give an All-tenure HLR of 116,150. This would be about 22% greater than the adjusted All-tenure housing estimate and 8% greater than the unadjusted All-tenure estimate on the High Migration scenario. He recommended changes to the Clydeplan accordingly. This produced the following final table<sup>5</sup> in the Clydeplan (Sch 6):

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<sup>5</sup> figures rounded up or down

2012 - 2029			
	Social Sector	Private Sector	Total <sup>6</sup>
Sustained Growth Estimate	39,320	52,540	91,860
Adjusted	39,730	55,410	95,140
HST	31,290	69,700	100,990
HLR	35,990	80,160	116,150
HLS	17,870	99,730	117,600

[31] On HLS the reporter noted that the SPP did not task SDPs with fully establishing the HLS position. It was for the LDPs to ensure that sufficient land was identified to meet the HLRs and the HSTs. The land supply in the Clydeplan represented the position at a fixed point in time; some years in the past, by the time any LDP came to be adopted. The Clydeplan therefore went too far in concluding that the established housing supply was sufficient to deliver the HSTs and that no new strategic scale housing allocations were required. With that in mind, the reporter recommended a series of revisions. Both policies 7 and 8 aimed to show how, in addition to identification of the HLRs, the Clydeplan could support the delivery of new homes.

[32] In its revised form, Policy 7 (“Joint Action Towards the Delivery of New Homes”) encouraged local planning authorities to work together with developers to create innovative mechanisms to improve housing delivery across all sectors; focusing on the HLS and public sector estate whilst bringing forward new opportunities in accordance with Policy 8.

Policy 8 said that “In order to provide a generous supply of land for housing and assist in

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<sup>6</sup> All-tenure

the delivery of the [HSTs] in support of the Vision and Spatial Development Strategy” local authorities should make provision in their LDPs for: the All-tenure and the private sector HLRs, which were broken down into numbers for each local authority area; and the private sector HLR, which was divided into sub-market areas (eg different parts of the “central” and “eastern” conurbations). Local authorities required to provide the 5 years effective HLS for each sub-market and each local authority area. As specifically modified by the reporter,

Policy 8 continued:

“Local Authorities should take steps to remedy any shortfalls in the five-year supply of effective housing land through the granting of planning permission for housing developments, on greenfield or brownfield sites, subject to satisfying each of the following criteria:

- the development will help to remedy the shortfall which has been identified;
- the development will contribute to sustainable development;
- the development will be in keeping with the character of the settlement and the local area;
- the development will not undermine Green Belt objectives; and
- any additional infrastructure required as a result of the development is either committed or to be funded by the developer.”

### **The respondents’ decision**

[33] The respondents were asked by officials to approve the Clydeplan, with the reporter’s modifications, by memorandum dated 13 June 2017. This drew (para 10) the respondents’ attention specifically to the housing issue; observing that the reporter’s view had been that: the HSTs had been reasonable and appropriate; and the interested parties had followed the approach in the SPP and the HNDA Guidance. The figures in the original proposed plan, and as proposed by the reporter, were tabulated. The memorandum drew (para 12 *et seq*) the respondents’ attention to the developers’ concerns about the HST for the social sector; specifically that the reduction from the HNDA figure had been “unevidenced”.

Reference was made to the reporter's comment about a lack of compelling evidence which "SPP indicates should support" it. Passages of the report, including the one mentioning "spuriously precise numerical justification", were quoted in an attempt to summarise the reporter's reasoning. The official expressed her satisfaction that the developers' concern had been adequately addressed by the reporter.

[34] By letter dated 24 July 2017, the interested parties were advised that the respondents had decided to approve the Clydeplan with modifications. They accepted the reasons set out in the examination report and adopted them as their own.

## **Submissions**

### *Appellants*

[35] The respondents' acceptance of the reporter's reasons was unreasonable. Accordingly, the Clydeplan was *ultra vires* and ought to be, in whole or in part, quashed (Town and Country Planning (Scotland) Act 1997, s 238). In terms of the SPP, the HSTs required to be supported by "compelling evidence" and properly justified. The reporter had said that he did not have compelling evidence for the HSTs. Accordingly, he had not had a proper evidential base for his findings. He had not insisted on an evidential base, in the form of the completed templates being provided, nor had he described an evidential base. He had not set out a basis for: not following the SPP (*Hopkins Homes v Communities Secretary* (*supra*), at para 22, following *Tesco Stores v Dundee City Council* 2012 SC (UKSC) 278, at para 18, and para 75); concluding that the HSTs were reasonable and appropriate; or determining that the interested parties had generally followed the SPP. His conclusion, that the HSTs were reasonable and appropriate, was inconsistent with those elsewhere. He had accepted that there was a lack of transparency in the process through which the HSTs had

emerged. He had no evidential base upon which to appraise the individual local authority area HSTs and the adjustments made to them. The appellants had subsequently recovered the completed templates. Had they been produced at the time, the appellants would have been able to comment on the accuracy of their content.

[36] The reporter had concluded that he did not have compelling evidence for the adjustments. The reporter had recognised that the Government targets had been formalised after the HSTs had been arrived at, but he did not recommend changing the HSTs. He had recognised that the proposed plan could be assuming levels of delivery of social sector housing, which could be less than what could now be achieved with the additional funding. He had recommended additional text to allow for extra land allocation, but this did not address the absence of evidence. He did not address the failure to comply with the SPP.

[37] The reporter's conclusions on social sector HSTs and All-tenure HSTs were inconsistent with his findings elsewhere and his recognition of the availability of additional funding. He had attempted to mitigate the inadequacies in the evidence by increasing the generosity allowance. This approach did not address whether the HSTs were justifiable. It was inconsistent with SPP and the reporter's own conclusions. The purpose of the generosity allowance was to ensure that a supply of land for housing was available to meet an HST that had been properly set. It was not to correct failings in the method by which the HST had been set in the first place. The reporter's reasoning in selecting 15% was inadequate.

[38] The interested parties had had evidence on the basis for the specific adjustments, but did not produce it to the reporter. The advice to the respondents had failed to set out the reporter's misgivings with the approach adopted by the interested parties and had not explained that they had not complied with the SPP.



[39] The appellants had suffered substantial prejudice (1997 Act, s 238(2)(b)). The whole Clydeplan should be quashed (see *Eadie Cairns v Fife Council* [2013] CSIH 109; *Scottish House Builders Association v Secretary of State for Scotland* 1995 SCLR 1039 at 1046). The effect would be that the matter would go back to the respondents for reconsideration and not to the earlier stage involving the interested parties.

### ***Respondents***

[40] The appeal ought to be refused. A lack of compelling evidence to support the HSTs did not result in the approval of the Clydeplan being outwith the powers of the 1997 Act (s 238) or amount to a failure to comply with its terms. The respondents and the reporter had correctly interpreted the SPP (paras 115 and 116). The basis for the HSTs did not require compelling evidence. The SPP had been applied to the facts using professional judgment; such issues being for the decision maker and not the court (*Simson v Aberdeenshire Council* 2007 SC 366). Even if the SPP had been departed from, the explanation for doing so had been adequate, when the report was read as a whole. If the approval had been *ultra vires*, it would be enough for the court to narrate the errors in relation to the HSTs. Alternatively, only that part of the plan relating to new housing should be quashed.

[41] The SPP contained broad statements to be read in the context of the whole policy (*Hopkins Homes v Communities Secretary (supra)* at paras 22, 26, 74 and 75; *Uprichard v Scottish Ministers* 2013 SC (UKSC) 21 at para [4]). That part of the SPP relating to the need for compelling evidence (para 115) was a “process policy” designed to achieve the principle of maintaining at least a 5 year supply of effective housing (para 110). Compelling evidence was one of several factors to be taken into account. It was intended to operate as a check that the principle was being complied with. The reporter used the phrase to mean that he

did not have the numerical justification, but he did have the explanatory factors in the Background Report. He had placed considerable weight on the fact that the All-tenure figure comfortably exceeded the adjusted HNDA amount.

[42] The reporter had been entitled: to reach the conclusion which he did on the basis of the evidence before him; to modify the Clydeplan to take account of the additional funding for the social sector; and to permit local development plans to allocate additional land in response. The amount of information required was one for planning judgment. The purpose of the report was to inform the respondents of the relevant considerations. The reasons given in it were proper, intelligible and adequate.

[43] The reporter had approached the issue of the HLR in a reasonable fashion. He had acknowledged and taken account of four factors, *viz.*: (1) the lack of an evidential base for the adjustments; (2) the concerns expressed about the effectiveness of HLS; (3) the additional funding available for affordable housing; and (4) the uncertainty of future housing need and demand. The purpose of the generosity margin was to try to ensure that sufficient land was allocated in LDPs. Its selection was one for planning judgment. The reporter had given proper and intelligent explanations for choosing the level of generosity which he did.

[44] The respondents had not been misled by any lack of information provided by the interested parties or the advice upon it given by officials. The reservations of the reporter had been reported to the respondents and advice given accordingly.

[45] Whether to quash the plan was a matter for the court's discretion. The appellants' complaints had been restricted to particular issues about housing growth strategy. The Clydeplan applied to eight local authority areas, each of which required to prepare, and keep under review, LDPs which were consistent with the Clydeplan. The appellants would have an opportunity to make representations to each authority about the appropriate

housing allocations within the LDPs in the light of any findings made by the court. The quashing of the Clydeplan would severely prejudice the local authorities which were at various stages in the preparation of their LDPs. The court should consider quashing only to a proportionate extent (see *Retail Property Holdings v Renfrewshire Council* [2015] CSIH 69 and *Hallam Land Management v City of Edinburgh Council* 2011 SLT 965).

### ***Interested parties***

[46] The reporter found support for the HSTs in a number of factors, including the HNDA. He had recommended additional text to enable land to be allocated to ensure that the estimates were met. He had correctly identified a concern, but, in weighing the evidence and applying his professional judgment, he had concluded that he was satisfied with the HSTs.

[47] The reporter had concluded that the All-tenure HST was an important consideration and could contribute to meeting housing need and demand. He had identified that affordable housing could be achieved in a number of ways. In particular, LDPs would require to make provision for the social sector. The reporter had considered the issue of qualitative evidence at a hearing session when the methodology of agreeing the HSTs had been discussed. He had been content to rely on the HSTs in the absence of further information. The assessment of the HSTs involved a process. The SPP did not require compelling evidence of every stage. The reporter did have evidence in the form of the Background Report. He had recognised that the information previously sought might be spuriously precise and ultimately relied on his professional judgment. The completed templates had been regarded as the private workings of the local authorities. They had not been necessary to the decision making process. Now that they had been recovered, it was

not clear what difference they might have made. The reporter had carried out an assessment of the generosity figure to address shortfalls. He had applied his judgment in selecting 15%. The information before him had not been misleading.

[48] If the Clydeplan required to be quashed, that should only be done in so far as relating to the new housing issue.

### Decision

[49] In terms of section 238(2)(b) of the Town and County Planning (Scotland) Act 1997, a development plan, such as the Clydeplan, may be quashed, in whole or in part, if it is wholly, or to any extent, outwith the powers conferred by the Act or if the interests of the applicant have been substantially prejudiced by a failure to comply with the Act or any regulations made thereunder. A plan will be regarded as outwith the powers of the respondents if they have improperly exercised the discretion confided in them, or made a material error of law going to the root of the question for determination. It will also be *ultra vires* if the respondents have taken into account an irrelevant consideration, failed to take account of relevant and material considerations, proceeded on a fact for which there was no evidential basis, or reached a decision which no reasonable Scottish Minister could have reached (*Wordie Property Co v Secretary of State for Scotland* 1984 SLT 345, LP (Emslie) at 347-348).

[50] At the heart of the appeal is the contention that, in setting the HSTs, the reporter (and hence the respondents) failed to apply the terms of the SPP, notably that part (para 115) which states that the housing supply target (HST) should not only properly reflect the HNDA in the particular sector but also be “supported by compelling evidence”. It is, first, important to reiterate what has been said before on the subject of planning policy. A

planning authority, including the interested parties, must have regard to the SPP (Town and Country Planning (Scotland) Act 1997, s 3E(3)). Where policy is an expression of general principles (as the SPP is), it is not to be interpreted as if it were a statute (*Hopkins Homes v Communities Secretary* [2017] 1 WLR 1865, Lord Gill at para 74 (having cited *Tesco Stores v Dundee City Council* 2012 SC (UKSC) 278, Lord Reed at para 18)). Secondly, the particular policy must be read in its context (*ibid*, para 72). Thirdly, if a planning authority departs from a policy, it may be regarded as acting unreasonably in the absence of at least some explanation for doing so (*Scottish House-Builders Association v Secretary of State for Scotland* 1995 SCLR 1039, Lord Sutherland, delivering the Opinion of the Court, at 1043).

[51] In this case, the general policy (SPP para 109) is to provide for new homes in certain defined situations. This is to be done (para 110) by the identification of a generous supply of land which will “support the achievement” of the housing land requirement (HLR) across all tenures by maintaining a 5 year supply. That then is the objective which is to be attained. The Clydeplan fully complies with this by, essentially, repeating it in Policy 8. The SPP continues by stipulating (para 115) how the objective is to be attained. This is the process of setting Housing Supply Targets (HSTs) for the social and private sectors based on (and reflecting) the housing need and demand assessment (HNDA). The HSTs are to be both reasonable and supported by compelling evidence. The policy does not require every figure in the HNDA, or the adjustments, to be so supported; only the HSTs themselves. In so far as the reporter may have thought otherwise (report para 14) he was mistaken, although he later stated (*ibid* para 25) matters correctly.

[52] The reporter did have detailed figures making up the original HNDA from each of the local authorities. The figures had been described as “robust and credible” by the Government’s Centre for Housing Market Analysis (CHMA) and, for that reason, they were

accepted by the reporter. This part of his decision is not challenged. The appellants' specific criticism is in relation to the absence of any reasoning for the original figures being adjusted by each authority up or down, or not at all. The extent of the adjustment was evident from the breakdown, of the totals noted above, into the eight separate local authority areas. The reporter knew of the existence of completed templates, since they were referred to in the Background Report (para 9.1) and mentioned in the response made by the interested parties to his request for "further evidence" or at least an explanation. The factors which ought to have been taken into account were also known.

[53] Whether the material before the reporter amounted to "compelling evidence" may be arguable, but the respondents did not seek to query the reporter's conclusion that it did not. The court will proceed upon that basis; the issue then becoming one of whether the reporter gave an adequate and reasonable explanation for proceeding in the absence of that evidence. After all, doing so would amount to a departure from what the policy requires. It is, however, important to note that the departure relates to a requirement of the process in arriving at the HSTs, rather than the policy principle to provide an adequate housing supply.

[54] The reporter did give such an explanation. He observed (para 20) that it was the All-tenure figure that was important. This was because not only did it include a social sector figure, but also the private sector would contribute to the social sector by reason of, amongst other things, each LDP fixing the proportion of affordable housing in any private development. Although there may have been a lack of transparency in arriving at the HSTs, the reporter explained (para 25) that he was not particularly concerned about this as there was a danger in seeking "spuriously precise, numerical justification for decisions which inevitably rely on a degree of professional judgment". Such judgments had produced an

HST which was 26% up on the adjusted estimate and an All-tenure HST some 6% higher. Because of this, the reporter had considered (at para 28) that any “misgivings” about the evidence had been allayed. He thus justified his conclusion (para 44) that the HSTs were reasonable and appropriate and that their calculation had “generally followed” the SPP and HNDA guidance. It is of some note, in that connection, that, having produced the completed templates and been able to pinpoint some anomalies, it was not demonstrated that their content would have led the reporter to a materially different result.

[55] There is no complaint about the application of the generosity factor to the All-tenure (ie including the social sector) HST. The criticism is that the reporter’s application of 15% was not adequately reasoned. The reporter explained that he had had some reservations about the adequacy of the HSTs, notably the social sector figure in light of increased Government funding. The generosity factor (SPP para 116) is a discretionary amount designed to ensure that the required housing supply is provided. The policy requires a robust explanation for it in the development plan. It is so provided (paras 6.61-6.62). The reporter recognised the reduction in the social sector caused by the re-allocation of the balance to the private sector. The generosity level was to provide flexibility. In selecting a higher percentage than that proposed, the reporter was not presuming that the HSTs were incorrect. He was building in that flexibility, which is there to avoid a shortfall in land supply, should the calculation of the HSTs prove to be an underestimate in the event of predictable changing conditions.

[56] The appellants’ concern is about the comparative Housing Land Requirement and Housing Land Supply figures. They are no doubt anxious to ensure that they have sufficient flexibility within the planning system to enable them to develop such land as they may already have or may seek to secure. The focus in the *Third National Planning Framework*

(para 2.20) and the Scottish Planning Policy (para 109) is on providing that flexibility. The reporter has increased the All-tenure HLR from 107,960 in the Background Report to 116,150 in the Clydeplan. It is well in excess of the adjusted Sustained Growth estimate. The figure for the All-tenure HLS is 117,600; ie the supply in the Clydeplan's snapshot exceeds demand even when the generosity factor is included. These figures indicate general compliance with the policy principle (*ibid* paras 110 and 123) of identifying a generous supply of housing land. The reporter was not deceived by anything said by the interested parties, given that he was aware of the fact that templates, which he did not have, would have been completed to produce the adjusted figures. The respondents were not misled by their official, who accurately summarised the examination report, which was, in any event, supplied to them.

[57] The approval of the Clydeplan by the respondents, for the reasons set out by the reporter, cannot be said to have been outwith the powers of the 1997 Act or to have amounted to a failure to comply with the provisions of the act. On the contrary, the reporter's reasoning expresses in clear terms why he did not consider that the absence of compelling evidence to justify the HSTs was material, given that produced in the Background Report and elsewhere. For these reasons the appeal must be refused.

[58] Had the court reached a contrary view, it would have been inclined to quash only that part of the Clydeplan which related to the provision of new housing; essentially paragraphs 6.22 (Enabling Delivery of New Homes) to 6.81 and including Policies 7, 8 and 9. While it is correct to say that a fundamental feature of an SDP is that its policies interlock and it may often not be possible to excise one part without affecting the whole (*Uprichard v Scottish Ministers* 2011 SC 172, LJC (Gill) at para [33], cf *Eadie Cairns v Fife Council* [2013] CSIH 109, LJC (Carloway) at para [46]), in this case the new housing section is severable. The effect of the partial quashing would not be to leave a permanent gap in the Clydeplan.



Rather, the matter would have to be returned to the Scottish Ministers for consideration of this section anew under section 13 of the 1997 Act.



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

**To: Joint Committee**

**On: 11 June 2018**

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**Report by: Chief Auditor**

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**Heading: Internal Audit Annual Report 2017/18**

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**1. SUMMARY**

- 1.1 The Public Sector Internal Audit Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan.
- 1.2 The annual report must also provide an annual audit opinion on the overall adequacy and effectiveness of the Glasgow and Clyde Valley Strategic Development Planning Authority's internal control environment.
- 1.3 The Annual Report for Glasgow and Clyde Valley Strategic Development Planning Authority is attached at Appendix 1 and outlines the role of Internal Audit, the performance of the Internal Audit Team, the main findings from the internal audit work undertaken in 2017/18, and contains an audit assurance statement.

**2. RECOMMENDATIONS**

- 2.1 Members are invited to consider and note the contents of the Annual Report.
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# **Glasgow and Clyde Valley Strategic Development Planning Authority**

## **Annual Report 2017-2018**

**Renfrewshire Council  
Finance & Resources  
Internal Audit**

**June 2018**



**Glasgow and Clyde Valley Strategic Development Planning Authority**  
**Internal Audit Annual Report 2016/2017**

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

### **Internal Audit Annual Report**

**1 April 2017 – 31 March 2018**

## **1. Introduction**

1.1 As host Authority, Renfrewshire Council provides an internal audit service to Glasgow and Clyde Valley Strategic Development Planning Authority. This includes:

- The compilation of an annual audit plan following consideration and evaluation of those areas of greatest risk in the organisation's operation, and consultation with the Strategic Development Plan Manager;
- Delivery of the planned audit assignments;
- Follow up of previous audit recommendations;
- Provision of any ongoing advice and support on audit and risk management related matters;
- Provision of an Annual Report and Assurance Statement, and presentation to elected members at the Glasgow and Clyde Valley Strategic Development Planning Authority.

1.2 The Service operates in accordance with the Public Sector Internal Audit Standards which defines Internal Audit's role as:

".....an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

1.3 In line with the Standards, the purpose of this Annual Report is to report on:

- The outcome of the planned Internal Audit reviews 2017/18 relating to the Glasgow and the Clyde Valley Strategic Development Planning Authority;
- The outcome of Internal Audit reviews of supporting Renfrewshire Council corporate systems;
- Internal audit performance;
- Planned audit work for 2018/19;
- The annual assurance statement which provides an opinion on the overall adequacy and effectiveness of the Planning Authority's internal control environment.

## 2. Responsibilities of Management and Internal Audit

- 2.1 It is the responsibility of management to ensure that the areas under their control are adequate and effective and that there is a sound system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.
- 2.2 Internal Audit is not a substitute for effective control exercised by management as part of their responsibilities. Internal Audit's role is to independently assess the adequacy of the risk management, internal controls and governance arrangements put in place by management and to undertake sufficient work to evaluate and conclude on the adequacy of those controls for the period under review.

## 3. Internal Audit Activity during 2017/2018

- 3.1 The Annual Report for 2016/2017 was submitted to the Joint Board on 12 June 2017.
- 3.2 There were no outstanding audit recommendations which required to be followed up as part of the 2017/18 annual follow up exercise.
- 3.3 Internal Audit also carried out reviews of the main corporate systems operating within Renfrewshire Council which support the Committee's activity. The main findings in relation to these are summarised in Table 1 below and Renfrewshire Council management have agreed to implement the audit recommendations made in relation to each review:

**Table 1**

Audit Area	Conclusion
Payroll - Pensions Auto Enrolment	<ul style="list-style-type: none"><li>• <b>Reasonable Assurance</b></li><li>• The audit identified that there are arrangements in place to cover the requirements of the Pensions Act 2011, recommendations were made to improve the processes to record and pass this information to the pension provider timeously and improve the communication issued to employees regarding postponed enrolment.</li></ul>
Corporate Purchase Cards	<ul style="list-style-type: none"><li>• <b>Reasonable Assurance</b></li><li>• There are adequate procedures in place covering the purchase of goods with Pcard, issues were identified regarding compliance with some areas of these procedures such as recurring mid value transactions, purchase of IT</li></ul>

	<p>equipment and high value orders where the Pcard purchase method is not recommended. The audit also identified areas of non-contract spend that would benefit from further review by the Corporate Procurement Unit.</p>
Corporate Health and Safety	<ul style="list-style-type: none"> <li>• <b>No Assurance</b></li> <li>• In the context of the objectives of the audit review, the control environment has been assessed as unsatisfactory. The Auditor is concerned that the current governance arrangements may not be fit for purpose. Operational arrangements are not currently adequate and there is a lack of appropriate processes and scrutiny. Management need to review the governance and operational practice as a matter of priority.</li> </ul>
Records Management	<ul style="list-style-type: none"> <li>• <b>Limited Assurance</b></li> <li>• Although there is a Records Management Plan in place that has been approved by the Keeper of Records Scotland, there is evidence to support that services are not fully complying with laid down practices. Furthermore, the estimated completion dates contained in the improvement action plan against a number of elements have not been achieved and therefore require to be revised.</li> </ul>
Corporate Complaints Procedures	<ul style="list-style-type: none"> <li>• <b>Reasonable Assurance</b></li> <li>• The audit has provided reasonable assurance over the awareness and compliance with Complaints Handling Procedures. Some recommendations have been made to timeously complete actions identified from a review of complaints correspondence and to review existing training programmes to consider ways to ensure that staff are following the Complaints Handling Process effectively.</li> </ul>

## 4. Review of Internal Audit Performance

- 4.1 Internal Audit produces regular reports on its performance during the year to the Renfrewshire Council, Audit, Risk and Scrutiny Board, against a range of measures set annually by the Director of Finance and Resources. These targets are set for all internal audit engagements and include Renfrewshire Council and other associated bodies, for which the team provides internal audit services. Table 2 shows the actual performance against targeted performance for the year.

**Table 2**

Internal Audit Performance 2017/18		
Performance measure	Target 2017/18	Actual 2017/18
% of audit assignments completed by target date	95%	96%
% of audit assignments completed within time budget	95%	95%
% completion of audit plan for the year*	95%	93%

\* this measures the completion percentage as at 31 March. 100% of the plan is ultimately delivered through the finalisation of the outstanding elements in the new financial year.

- 4.2 Actual performance for the year, in relation to percentage completion of the audit plan, is 2% below the target performance level. This was due to the actual level of resources available being lower than had been planned for, due to vacancies and two Council engagements being deferred into early 2018/19 due to other operational commitments within the services.
- 4.3 The Chief Auditor is required to develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit including conformance with the PSIAS. There is an opportunity to improve and formalise the internal audit reporting arrangements to Board and this has been addressed early in 2018/19.

### 4.4 External Audit

External Audit's review of the internal audit service concluded that overall the service operates in accordance with the PSIAS, although some recommendations for improvement were made which have been addressed.

### 4.5 Risk Management

The responsibility for co-ordinating risk management activity across the council and its associated bodies lies with internal audit. Risk management

performance is detailed in Renfrewshire Council's risk management annual report.

## 5. Planned Work for 2018/19

- 5.1 Following a risk based assessment of the activities of the Glasgow and Clyde Valley Strategic Development Planning Authority and consultation with the Strategic Development Plan Manager, the audit plan provides for ad-hoc advice, reactive investigative work, follow-up of previous audits and risk management advice.

## 6. Audit Assurance Statement

- 6.1 Internal Audit has performed its work in accordance with the role defined in paragraph 1.2. The audit work performed has been reported to the Strategic Development Plan Manager, and to the Joint Committee in this annual report. Where areas for improvement in internal control have been identified appropriate recommendations have been made, and accepted for action by management.
- 6.2 In view of the continued challenges common to all public bodies, there will be a requirement for the council and the bodies for which it is host authority to exercise very close scrutiny over expenditure, and both areas will continue to receive due internal audit attention.
- 6.3 It is not feasible for the system of internal control to be without any weakness. It is important to balance the risks involved in accepting systems limitations with the consequences if a problem emerges. Internal Audit recognises this and assesses this in its reporting mechanism.
- 6.4 In this context, it is considered that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Glasgow and Clyde Valley Strategic Development Planning Authority's internal control, risk management and governance arrangements, as evidenced by:-
- The results of the audit work in 2017/18 in relation to the corporate systems which supported the Glasgow and Clyde Valley Strategic Development Planning Authority's activities.
  - Management action to respond to audit recommendations.
  - management self assessment of internal control, risk management and governance arrangements.
  - The regular review and updating of the Local Code of Corporate Governance by the Council in accordance with the CIPFA/SOLACE framework for corporate governance requirements and of the corporate governance arrangements within the Glasgow and Clyde Valley Strategic Development Planning Authority.

Signed

Chief Auditor

Date

11 June 2018

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

**To: Joint Committee**

**On: 11 June 2018**

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**Report by: Chief Auditor**

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**Heading: Internal Audit Reporting Arrangements**

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**1. Summary**

- 1.1 The Chief Auditor is required to develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit including conformance with the Public Sector Internal Audit Standards (PSIAS). It has been identified that there is an opportunity to improve and formalise the internal audit reporting arrangements to Joint Committee.
- 1.2 This report outlines the details and outcome of the Chief Auditor's considerations in relation to the Joint Committee reporting arrangements for completed audit engagements and follow up work.

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**2. Recommendations**

- 2.1 Members are requested note the reporting arrangements put in place to communicate the results of Internal Audit work to the Joint Committee.

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**3. Background**

**3.1 Communicating the results of audit engagements**

- 3.1.1 In line with the Public Sector Internal Audit Standards (PSIAS), Internal Audit must communicate the results of each engagement to the Board.
- 3.1.2 Previously, Internal Audit reported the conclusion of completed audit engagements in the Internal Audit Annual Report. It has been identified

through the quality assurance and improvement programme that there is an opportunity to review and formalise the internal audit reporting arrangements for the Joint Committee.

- 3.1.3 In making those considerations the Chief Auditor took account of the professional requirements as detailed in the PSIAS, CIPFA guidance “Audit Committees, Practical Guidance for Local Authorities” and legislative requirements such as Data Protection, and the assessed risks to the Joint Committee.
- 3.1.4 The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) and has been issued by CIPFA, who set the internal auditing standards for UK Local Authorities. The Chief Auditor has a professional duty under the PSIAS to report the results of engagements to senior management and the Board, although the PSIAS does not prescribe any specific format that should be adopted for reporting.
- 3.1.5 The PSIAS places certain professional obligations on the Chief Auditor in relation to the confidentiality and disclosure of the information they receive during the course of each audit engagement.
- 3.1.6 The PSIAS states that “the chief audit executive must control access to engagement records. The chief audit executive must obtain the approval of senior management and/or legal counsel prior to releasing such records to external parties, as appropriate”.
- 3.1.7 It also states that:  
“Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.”  
If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organisation the chief audit executive must:
- assess the potential risk to the organisation
  - consult with senior management and/ or legal counsel as appropriate, and
  - control dissemination by restricting the use of the results.”
- 3.1.8 Members of the Joint Committee need to be provided with enough information to allow them to understand any significant risk exposures to the Joint Committee’s internal control environment identified through the work of Internal Audit.
- 3.1.9 The CIPFA “Audit Committees, Practical Guidance for Local Authorities” publication, defines that role as “reviewing the work carried out will include formal consideration of summaries of work done, key findings, issues of concern and action in hand as a result of audit work.”



3.1.10 The Chief Auditor will in future report summaries of completed audit engagements to the Joint Committee on the conclusion of each engagement for formal consideration by member in line with the best practice referred to above.

### **3.2 Monitoring the progress of management actions**

3.2.1 The PSIAS places the responsibility for monitoring progress with the Chief Auditor to ensure that management actions have been effectively implemented, or, if not, that senior management have accepted the risk of not taking action.

3.2.2 The Chief Auditor must implement a follow-up process for ensuring the effective implementation of audit results or ensuring senior management are aware of the consequences of not implementing an action point and are prepared to accept the risk of such consequences occurring. The results of this process should be communicated to the Joint Committee.

3.2.3 There is also a requirement for the Chief Auditor to develop escalation procedures for cases where agreed actions have not been effectively implemented by the date agreed. These procedures should ensure that the risks of not taking action have been understood and accepted at a sufficiently senior management level. The effective involvement of the Joint Committee in the follow-up process is critical to ensuring that it works.

3.2.4 Internal Audit undertakes an annual follow up exercise. The focus of each annual follow up exercise can vary depending on the audit resources available. All critical recommendations followed up must be supported by evidence to demonstrate that they have been implemented.

3.2.5 The outcome of the annual follow up exercise is communicated to the Strategic Development Plan Manager with details of all partially implemented, redundant and outstanding recommendations. The Chief Auditor currently reports, the number of recommendations followed up, and the current status of those recommendations in the Internal Audit Annual Report.

3.2.6 It is the Chief Auditor's opinion that there is an opportunity to enhance the escalation procedures for cases where agreed actions have not been effectively implemented by the date agreed. The Chief Auditor will report details of outstanding critical recommendations to the Joint Committee on conclusion of the annual follow up exercise.

3.2.7 It is our intention to develop the audit management system to facilitate 'self-service' in relation to updates on the progress of implementing recommendations. This development would facilitate more regular reporting of outstanding actions in the future.

### **3.3 Communicating the acceptance of risks**

- 3.3.1 The PSIAS places certain professional obligations on the Chief Auditor to report to the Board, when in the Chief Auditor's opinion, management have accepted an unacceptable level of risk. The PSIAS states, "when the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organisation, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board."
- 3.3.2 Instances where the Chief Auditor and senior management are unable to reach an agreement on actions to mitigate a significant risk to an acceptable level are rare. However, should such an instance arise the Chief Auditor will bring a report outlining the risk exposure to the Joint Committee.

### **3.4 Conclusion**

- 3.4.1 The Chief Auditor is satisfied that these enhanced reporting arrangements fully supports the Joint Committee in their role, complies with the PSIAS and meets the best practice standard as set out in the CIPFA "Audit Committees, Practical Guidance for Local Authorities" publication.
- 3.4.2 The Chief Auditor would still need to preserve the confidentiality of the information in cases where it may breach legislation or where the risk of the weakness being exploited be of such significance that she would seek to have the report heard in private, to protect the Joint Committee's interests.

**For further information please contact Andrea McMahon on 0141-618-7017**

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

**To:** Joint Committee

**On:** 11 June 2018

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

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**Heading:** Corporate Purchasing Card Expenditure to 31<sup>st</sup> March 2018

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**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 4<sup>th</sup> February 2018 to 31<sup>st</sup> March 2018 and also full 17/18 expenses is provided at section 3.
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**2 Recommendations**

- 2.1 It is recommended that members note the report.
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**3 Corporate Procurement Card Expenditure**

- 3.1** In the period from 4<sup>th</sup> February 2018 to 31<sup>st</sup> March 2018 a total of £349.89 was spent by Corporate Procurement Card. In 2017/18 a total of £6,012.76 was spent. Details can be found in the table below.
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**CPC Expenditure for the Period 1st April 2017 to 31st March 2018**

	Travel & Subsistence	Operational Supplies and Services	Total
SDP Manager	£601.39		£601.39
Assistant SDP Manager	£246.45		£246.45
Planning Analyst	£40.84		£40.84
Strategic Planner	£291.91		£291.91
Administrative Officer	£10.50		£10.50
Operational Supplies and Services		£4,821.67	£4,821.67
<b>Total</b>	<b>£1,191.09</b>	<b>£4,821.67</b>	<b>£6,012.76</b>

**CPC Expenditure for the Period 4th February 2018 to 31st March 2018**

	Travel & Subsistence	Operational Supplies and Services	Total
SDP Manager	£101.90		£101.90
Assistant SDP Manager	£118.00		£118.00
Operational Supplies and Services		£129.99	£129.99
<b>Total</b>	<b>£219.90</b>	<b>£129.99</b>	<b>£349.89</b>