

GLASGOW AND THE CLYDE VALLEY STRATEGIC DEVELOPMENT PLANNING AUTHORITY JOINT COMMITTEE

To: Joint Committee

On: 14 December 2020

Report by: The Treasurer and the Strategic Development Plan Manager

Heading: Revenue Estimates 2021/22

1. Summary

- 1.1 The following report has been prepared by the Treasurer, in consultation with the Strategic Development Plan Manager, to present the Revenue Estimates of Glasgow and the Clyde Valley Strategic Development Planning Authority, including the requisition of the constituent authorities, for financial year 2021/22 and indicative planning figures for 2022/23 and 2023/24.
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2. Recommendations

- 2.1 It is recommended that Members:
- a) Agree the Revenue Estimates for 2021/22 and the related requisitions of the constituent authorities;
 - b) Agree that the Strategic Development Plan Manager, in conjunction with the Treasurer, presents a report to a future meeting of the Joint Committee, should its remit and finances materially change; and
 - c) Note the indicative estimates for 2022/23 and 2023/24.
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3. Background

- 3.1 The annual Revenue Estimates process each year outlines the summary revenue budget position for the organisation. The budget estimates provided in the attached Appendix 1 outline the projected position and proposed requisition for 2021/22, and also outline an indicative projected position for 2022/23 and 2023/24 for members' information and as an aid to constituent authorities' financial planning. The assumptions used in developing these projections are outlined in section 4 below.
- 3.2 The financial environment in which the Joint Committee and member authorities operate continues to be characterised by significant demand and cost pressures, compounded by reducing levels of grant support. It is

anticipated that the Scottish Budget and local government settlement, to be announced in early 2021, may again reflect a potential core revenue grant cut for local authorities.

- 3.3 The Planning (Scotland) Bill became an Act on 25 July 2019. The Act removes the statutory requirement to prepare a Strategic Development Plan and replaces it with a duty that ‘a planning authority, or two or more such authorities acting jointly, are to prepare and adopt a regional spatial strategy’. The Act further states that both the National Planning Framework and Local Development Plans require to ‘have regard’ to such a strategy.
- 3.4 The Local Authority contribution has now been held at £72,438 per member for the last 9 financial years (2012/13 to 2020/21). For 2021/22 the level of requisition will be reduced by £160,000 (£20,000 per Local Authority) on a one-off basis, reflecting the position whereby the ringfenced reserve being held to mitigate costs related to the development and agreement of the strategic development plan is no longer required.

4. Budget Assumptions

- 4.1 The budget has been constructed on the basis of a fundamental examination of the core operations of Glasgow and the Clyde Valley Strategic Development Planning Authority, and is based on the following assumptions:
- Provision for inflation on employee costs has been included at 2% for 2021-22, this may be subject to change once the national pay award is agreed.
 - as a result of the office move, the budget for premises costs and supplies and services has been reduced and used to offset the increase in pay award and spinal increments.
 - in line with previous years’ practice, no inflationary adjustment has been made to any non-pay expenditure lines.

5. Financial Overview

- 5.1 Clydeplan’s operational methods, structure and long-term financial arrangements are under continuous review by the Strategic Development Manager and the Treasurer.
- 5.2 The outlook in the medium term is characterised by uncertainty. At this point both major areas of risk for the Joint Committee in the medium term:
- ongoing discussions around improved integration of regional planning and the impact of the Planning (Scotland) Act; and
 - the level of pay award has not been agreed for 2021/22.

- 5.3 Estimates of the 2021/22 local government settlement will not be available until 28 January 2021 when the Scottish draft Budget is announced; however given the general economic outlook and the likely continuing impact of the COVID-19 pandemic on public finances, the local government settlement is again expected to be tight. The Joint Committee will continue to be mindful of the financial pressures that member authorities face and work with them to address these challenges.
- 5.4 At its meeting in June 2019 the Joint Committee agreed not to renew the lease at 125 West Regent Street and instead move to Glasgow City Council at 40 John Street Glasgow. This has resulted in a reduction in premises costs from £87,408 in 2018/19 to an estimated £24,200 in 2023/24.
- 5.5 In order to ensure the ongoing sustainable funding position of the Joint Committee, it is proposed that there is no change in the requisition level for 2022/23 and 2023/24.
- 5.6 The audited accounts for the year ended 31 March 2020 indicate that the level of reserves is £273,927, which owing to current year underspends is expected to rise to in excess of £336,000 by the end of 2020/21 – over 50% of annual turnover.
- 5.7 It is proposed that in recognition of the high level of reserves and no further requirement to earmark a reserve in relation to the development and agreement strategic development plan, a one-off reduction of requisition is made in 2021/22 to contributing authorities, amounting to £160,000 (i.e. £20,000 per contributing local authority).
- 5.8 Due to the current financial climate and COVID-19 situation, operational costs will remain under review and any savings that may arise will be brought forward to a future meeting. The level of reserves will also remain under review and any proposed draw on reserves will be reported as appropriate to the Joint Committee.
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Appendix 1

Estimates of Expenditure and Income for the Year Ended 31st March 2021 to 31st March 2024 Glasgow & Clyde Valley Strategic Development Planning Authority

	Approved 2020/21	Probable 2020/21	Proposed 2021/22	Indicative 2022/23	Indicative 2023/24
Expenditure					
Employee Costs	506,500	511,100	493,700	504,300	514,000
Premise Costs	41,300	26,000	24,200	24,200	24,200
Supplies and Services	57,000	60,200	47,600	44,100	37,300
Support Services	20,500	21,100	20,500	20,500	20,500
Transfer Payments	2,700	2,200	2,900	2,800	2,800
Transport	5,500	1,300	4,500	4,100	3,700
Total Expenditure	633,500	621,900	593,400	600,000	602,500
Income					
Gross Requisition	579,500	579,500	579,500	579,500	579,500
Refund of Earmarked Reserves			(160,000)		
Net Requisition 2021/22			419,500		
Other Income	54,000	105,300	18,700	18,700	18,700
Total Income	633,500	684,800	438,200	598,200	598,200
NET EXPENDITURE/(INCOME)	-	(62,900)	155,200	1,800	4,300
Application of Balances					
Earmarked Reserves	173,332	173,332	173,332	-	-
General Reserves	100,595	100,595	163,495	181,627	179,827
TOTAL Balance Brought Forward	273,927	273,927	336,827	181,627	179,827
Contribution to General Reserves	-	62,900	-	(1,800)	(4,300)
(Application of) General Reserves	-	-	(155,200)	-	-
Surplus Carried Forward	273,927	336,827	181,627	179,827	175,527
Contribution per Authority	72,438	72,438	52,438	72,438	72,438
Change in Requisition			0%	0%	0%
General Reserves as % of gross revenue spend	16%	16%	31%	30%	29%
Earmarked Reserves:-					
Strategic Development Plan Contingency Fund	173,332	173,332	173,332	-	-
Contribution to/from earmarked reserves	-	-	(173,332)	-	-
TOTAL Earmarked Reserves	173,332	173,332	-	-	-
General Reserves:-					
General Reserves	100,595	100,595	163,495	181,627	179,827
Less: anticipated underspend/(overspend)	-	62,900	(155,200)	(1,800)	(4,300)
Contribution to/ (Application of) General Reserves	-	-	173,332	-	-
Net General Reserves available	100,595	163,495	181,627	179,827	175,527
TOTAL Reserves Carried Forward	273,927	336,827	181,627	179,827	175,527

**Estimates of Expenditure and Income for the Year Ended 31st March 2021 to 31st March 2024
Glasgow & Clyde Valley Strategic Development Planning Authority
Requisition Payable by Member Councils**

		2021/2022 £	Requisition Payment	
			£	£
			1st Half	2nd Half
CITY OF GLASGOW COUNCIL	12.5%	52,437.50	26,218.75	26,218.75
NORTH LANARKSHIRE COUNCIL	12.5%	52,437.50	26,218.75	26,218.75
SOUTH LANARKSHIRE COUNCIL	12.5%	52,437.50	26,218.75	26,218.75
EAST DUNBARTONSHIRE	12.5%	52,437.50	26,218.75	26,218.75
WEST DUNBARTONSHIRE	12.5%	52,437.50	26,218.75	26,218.75
EAST RENFREWSHIRE	12.5%	52,437.50	26,218.75	26,218.75
INVERCLYDE	12.5%	52,437.50	26,218.75	26,218.75
RENFREWSHIRE	12.5%	52,437.50	26,218.75	26,218.75
		419,500.00	Due Dates	
			12-Apr-21	13-Sep-21