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REPORT TO: Members' Library Service

MEETING DATE:

BY: Executive Director (Services for Communities)

SUBJECT: SESplan
1. Ratification of SESplan Budget
2. Annual Report 2011/12

1 PURPOSE

- 1.1 To ratify SESplan's 2012/13 Six Month Provisional Out Turn and 2013/14 Operating Budget, and to note the Annual Report 2011/12.

2 RECOMMENDATIONS

- 2.1 It is recommended that Cabinet
- (i) Ratify SESplan's 2012/13 Six Month Provisional Out Turn and 2013/14 Operating Budget, as considered at the SESplan Joint Committee on 11 March 2013;
 - (ii) Note SESplan's *Annual Report 2011/12*.

3 BACKGROUND

- 3.1 SESplan, the Strategic Development Plan Authority, is required to report its spend against agreed budgets to the SESplan Joint Committee. It is also required to present for the approval of the Joint Committee its budgets for future years.
- 3.2 An attached report by the Strategic Development Plan Manager to the SESplan Joint Committee of 11 March 2013 addresses these requirements. SESplan's constitution also requires that SESplan's decisions on these matters be ratified by the six member authorities.
- 3.3 The SDP Manager's report advises that the Six Month Provisional Out Turn 2012/13 shows a carry forward of £42,000 into the 2013/14 financial year. This saving is greater than anticipated and is largely attributable to efficiencies in accommodation costs and project management, and savings in staff costs.

- 3.4 In terms of the Operating Budget, the key elements are accommodation and staff and reflect the savings noted above. The Core Team in 2013/14 will consist of the SDP Manager, Lead Officer (reduced hours), Planner and Temporary Planner (to March 2014). This staffing level is proportionate to those of other Strategic Development Plan Authorities, taking into consideration the scale and complexity of the issues involved in SESplan.
- 3.5 Each of the six member authorities is liable for one sixth of the annual SESplan Operating Budget. Member contributions have been set at £49,000 per authority and provision has been made for this in the Services for Communities budget for 2013/14.
- 3.6 The SESplan Joint Committee of 11 March 2013 also considered the 2011/12 Annual Report and agreed that it be commended to member authorities. The Annual Report is attached for information.

4 POLICY IMPLICATIONS

- 4.1 None

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None
- 6.2 Personnel - None
- 6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 None

AUTHOR'S NAME	Ian Glen
DESIGNATION	Policy and Projects Manager
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DATE	14 March 2013

For Decision	✓
For Information	

ITEM 8 – FINANCE

Report by: Ian Angus, SDP Manager

Purpose

This Report presents the following items for SESplan Joint Committee consideration;

- 2012 / 2013 Six Month Provisional Out Turn; and
- 2013 / 2014 Operating Budget.

Recommendations

It is recommended that the SESplan Joint Committee;

1. Notes the 2012 / 2013 Six Month Provisional Out Turn as set out in Appendix A;
2. Notes the 2013 / 2014 Operating Budget as set out in Appendix A;
3. Agrees that member contributions for financial year 2013 / 2014 will be set at £49,000 (excluding VAT) per authority, payable to Fife Council by the 30 April 2013; and
4. Notes that member authorities will be required to ratify the 2012 / 2013 Six Month Provisional Out turn and 2013 / 2014 Operating Budget and to make their required contributions by the due date.

Resource Implications

As set out below and in Appendix A.

Legal and Risk Implications

There are risks to the process if sufficient funding is not available to progress the Strategic Development Plan at a rate which provides up to date strategic planning policy context for the timeous progression of the member authorities' Local Development Plans, as is required by the relevant legislation.

There is also a risk associated with budgeting for the costs of the formal Examination into representations made on the Strategic Development Plan. Although a reasonable estimate has been included in the Budget, the exact cost cannot be ascertained until the extent of the Examination process is known. The Examination formally commenced on the 22 October 2012. No further details as to whether hearing sessions will be held are known at the present time.

Policy and Impact Assessment

No separate impact assessment is required.

1. Background

- 1.1 The Strategic Development Plan Authority Constitution requires that the spend against agreed Budgets are regularly reported to the SESplan Joint Committee and that Budgets for future years are presented for discussion and approval by the Committee, before ratification by the member authorities.

- 1.2 This Report presents the six month provisional out turn for 2012 / 2013 as required by the SESplan Constitution, highlighting any savings that have been made against the Current Annual Estimate Budget. This Report also presents the draft SESplan Operating Budget for the financial year 2013 / 2014 highlighting the expected costs of the process for the following year, opportunities for savings against previous budget estimates and outlining the level of member authority contributions.

2. Financial Review

Six Month Provisional Out Turn for 2012 / 2013

2.1 Appendix A presents the six month provisional out turn position for financial year 2012 / 2013. As detailed in Appendix A the six month position estimates that around £42,000 will be carried forward to financial year 2013 / 2014. The approved Budget for 2012 / 2013 (approved at Joint Committee on the 5 December 2011) predicted that there would be no carry forward to 2013 / 2014. The reason for these savings is efficiencies that have been brought in around accommodation, the management of the Proposed Plan process and a reduction in staffing costs.

Operating Budget 2013 / 2014

2.2 As is required under the SESplan Constitution and as detailed in Appendix A, a proposed Budget has been prepared for financial year 2013 / 2014.

Fixed Costs

2.3 For the 2013 / 2014 Operating Budget the fixed costs estimate is £263,100. The key elements of this are accommodation and staff.

2.4 Efforts have been made to reduce the accommodation costs in the current financial year and an agreement has been reached with SEStran on a fixed recharge of £48,000 per annum for the next three years. This is a saving of around £13,500 on 2011 / 2012. The relocation of the Core Team to Claremont House is expected to continue to offer savings.

2.5 Around 78% of the fixed costs relate to staff costs associated with the Core Team. The Core Team in 2013 / 2014 would consist of the SDP Manager, Lead Officer (reduced hours), Planner and Temporary Planner (temporary contract until March 2014).

- 2.6 The staffing levels are proportionate to those employed in other Strategic Development Plan Authorities in Scotland taking into consideration the scale of those partnerships, the planning issues arising and the areas involved.
- 2.7 Looking to the future, the fixed costs are not expected to rise and are estimated to be constant for the foreseeable future. Operating at the current level of staffing still represents a significant challenge due to the expected workload, particularly around the Examination on Strategic Development Plan 1, but also as work commences on the background evidence gathering on Strategic Development Plan 2. However through successful partnership working with the member authorities and key agencies that continues to be developed in the SESplan area it is envisaged that the current complement of staff will accommodate the challenging work programme.

Variable Costs

- 2.8 Variable costs in 2013 / 2014 will be associated partly with the Examination into Strategic Development Plan 1 and partly with any research work required to support Strategic Development Plan 2. Such research will include work on housing for example Housing Need and Demand Assessment.
- 2.9 The Examination commenced on the 22 October 2012 and will therefore be partly met by the 2012 / 2013 Operating Budget. Inevitably substantial costs must be set against the Examination as it is an essential part of the Strategic Development Plan process. The cost of the Examination is required to be shared between SESplan and the Scottish Government on a 50:50 share.
- 2.10 The full cost for the Examination is unknown but SESplan has received invoices relating to the set up of the Examination including advertising. The cost incurred to date is around £15,000.00. However a level of contingency has been added to ensure robustness based on the experiences of Local Authorities in Local Plan Examinations and costs incurred by other Strategic Development Plan Authorities. It is also unknown whether a Hearing will take place at this time, which could incur considerable cost.

Member Contributions

- 2.11 In 2008, the member authorities agreed a SESplan Budget of £360,000 (£60,000 per authority). At the outset and due to staffing levels at that time and the government start up funding, the actual Budget for 2008 / 2009 only required a contribution of £17,000 per authority. This contribution increased to £40,000 per annum per authority over the period 2009 – 2012, due to the Core Team having a full complement of staff and the costs of undertaking the first substantive stages of the Strategic Development Plan process in the form of the Main Issues Report and Proposed Plan. This compares to £60,000 per authority in TAYplan.
- 2.12 The one off government grant and previous carry forwards have been spent over the last few years and are coming to an end at the point when costs on the Strategic Development Plan are at its greatest. Due to this combination of Budget pressures a modest increase in member authority contributions to £49,000 per authority in financial year 2012 / 2013 was agreed by SESplan Joint Committee at its meeting on the 5 December 2011.
- 2.13 Each member authority is liable for one sixth of the annual Operating Budget. Appendix A highlights that the overall 2013 / 2014 Operating Budget is estimated at £340,100, equating to £56,685 per member. However to provide certainty to member authorities and to the SESplan Budget, cyclical changes to the variable costs such as the Examination process and the commencement of activity on Strategic Development Plan 2, have been built into the agreed contributions of £49,000 per annum.
- 2.14 However, this will require to be reviewed on an annual basis through financial reporting and budget setting by each of the member authorities.
- 2.15 As detailed in Appendix A, member contributions for financial year 2013 / 2014 will be £49,000 per authority payable to Fife Council on or before the 30 April 2013.

3. Conclusion

- 3.1 As with all member authorities, the SESplan Budget is under pressure from the demand to provide a statutory service whilst working within tight financial parameters. Significant efforts have been made to reduce Strategic Development Plan related costs both from the fixed and variable parts of the Budget. This has resulted in greater savings than expected being carried forward into 2013 / 2014.
- 3.2 The SESplan Financial Rules state that member authority contributions are in place by the end of April each year – within one month of the start of the financial year. It is therefore requested that £49,000 be paid to Fife Council on or before the 30 April 2013. It is requested that all member authorities take steps now in their current budget setting rounds to ensure that contributions will be in place by the start of the next financial year.

Appendices

A 2012 / 2013 Provisional Out Turn and 2013 / 2014 Operating Budget

Background Papers

SESplan Constitution, approved at SESplan Joint Committee on the 5 December 2011

SESplan Financial Rules, approved at SESplan Joint Committee on the 5 December 2011

Financial Update Report, presented to SESplan Joint Committee on the 5 December 2011

Report Contact

Report Agreed By: Ian Angus, SDP Manager

Author Name: Alice Miles

Author Job Title: Lead Officer

**APPENDIX A – 2012 / 2013 PROVISIONAL OUT TURN AND 2013 / 2014
OPERATING BUDGET**

2012 / 2013 SIX MONTH PROVISIONAL OUT TURN AND 2013 / 2014 OPERATING BUDGET

	2012 / 2013 Approved Budget December 2011	2012 / 2013 Current Annual Estimate Budget	2012 / 2013 Six Month Provisional Out Turn	2012 / 2013 Variance	Cost Per Member Authority	2013 / 2014 Operating Budget	Cost Per Member Authority
FIXED COSTS							
Team Salaries and Oncosts	195,000	195,000	177,000	-18,000	29,500	205,000	34,167
Accommodation	40,000	14,000	14,000	0	2,333	14,000	2,333
Administration (including Reception staff)		26,500	26,500	0	4,417	26,500	4,417
IT		10,000	10,000	0	1,667	10,000	1,667
Audit Fee	4,000	4,000	4,000	0	667	4,000	667
Consumables, Travel, Training, Miscellaneous	5,800	3,300	3,500	200	583	3,600	600
TOTAL Fixed Costs	244,800	252,800	235,000	-17,800	39,167	263,100	43,851
VARIABLE COSTS							
2012 / 2013 Technical Support	55,000	56,000	56,000	0	9,333	0	0
2013 / 2014 Technical Support						70,000	11,667
Add: 10% contingency	7,000	6,000	6,000	0	1,000	7,000	1,167
TOTAL Variable Costs	62,000	62,000	62,000	0	10,333	77,000	12,834
TOTAL COSTS	306,800	314,800	297,000	-17,800	49,500	340,100	56,685
Balance Carried Forward	22,817	43,534	43,534	0	7,256	42,034	7,006
Sale of Plans	1,000	1,000	1,000	0	167	500	83
Interest on Revenue Balances	500	500	500	0	83	500	83
Funded By:							
Partner Contributions	282,483	294,000	294,000	0	49,000	294,000	49,000
TOTAL INCOME	306,800	339,034	339,034	0	56,506	337,034	56,172
Balance Carried Forward to Next Year	0	-24,234	-42,034	-17,800	-7,006	3,066	513

Nb. The fixed costs for accommodation (£14,000), administration (£26,500) and IT (£4,000) in the 2013 / 2014 Operating Budget total £50,500 rather than the £48,000 agreed with SEStran, since the IT costs include an annual charge of £2,500 for Semantise and First Class Licences.



ANNUAL REPORT 2011 / 2012

December 2012

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1. INTRODUCTION

- 1.1 This is the second Annual Report of the South East Scotland Strategic Development Plan Authority (SESplan), covering the period 1 April 2011 to 31 March 2012.
- 1.2 SESplan's accounts for 2011 / 2012 will be published separately and made available on the SESplan website later in the year.
- 1.3 The papers referred to in this Annual Report are available on the SESplan website (www.sesplan.gov.uk).

2. THE STRATEGIC DEVELOPMENT PLAN AUTHORITY

GOVERNANCE

- 2.1 The introduction of the Planning etc. (Scotland) Act 2006 gave Scottish Ministers the power to create Strategic Development Planning Authorities (SDPAs).
- 2.2 On the 25 June 2008, four designation orders came into force, creating SDPAs in Aberdeen City and Shire, Glasgow and the Clyde Valley, TAYplan (Dundee, Perth and Kinross, Fife and Angus) and SESplan (City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian).
- 2.3 Circular 2/2008 sets out the Scottish Government's statutory guidance for SDPAs. In particular the Circular identifies the need to establish a joint committee of members and a dedicated team of officers. The SESplan Joint Committee was formally established in November 2008 following the agreement of the SESplan Constitution, Scheme of Delegation and Financial Rules. Paragraph 1.1 of the SESplan Constitution sets out,

'The following planning authorities comprise the Strategic Development Planning Authority ("the Authority") for the Edinburgh city region: the City of Edinburgh Council, East Lothian Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council. This group of authorities has a statutory duty under Section 4 of the Planning etc. (Scotland) Act 2006 ("the Act") to work together and prepare, and keep under review, a Strategic Development Plan (SDP) for the Edinburgh city region.'

- 2.4 In December 2011 a review of the Scheme of Delegation, the SESplan Constitution and the Financial Regulations was undertaken in order to consider whether any amendments should be made to allow greater efficiency in the operational working of SESplan.
- 2.5 The SESplan Constitution covers a range of areas to ensure the establishment and operation of the Joint Committee including that the Committee shall not meet less than four times per year. It was noted by SESplan's auditors that the Joint Committee has not required to hold four meetings in some years. It was therefore proposed that the Joint Committee Constitution was amended to state that the Committee is to meet 'not less than two times per year'. This better reflected the operational needs of the SDPA and still allows for more than two meetings in a year should that be required.
- 2.6 The need for ratification of key decisions in the Plan's preparation was also considered further. To improve the delivery of the SDP and streamline decision making, it was proposed to delegate any decision not to modify the Proposed Plan to the Joint Committee, meaning that,
- Where no modifications are made, then the Proposed Plan would be submitted directly to Scottish Ministers as it was published and approved by the Joint Committee and the constituent member authorities.
 - If modifications were agreed by the Joint Committee, this would require ratification by the six member authorities.
- 2.7 The Scheme of Delegation sets out the functions of the SDPA from the Joint Committee to officers responsible for the progression of the SDP. In reviewing this delegation amendments were proposed in a few areas.

- Amend paragraph 2.5 to delegate responsibility to the Joint Committee for the submission of the Proposed Plan to Scottish Ministers, if following consultation, no amendments are proposed.
- The Joint Committee should have the delegated authority to approve, without ratification, background documents including background technical papers, Equalities Impact Assessment, Schedule of Responses to the Main Issues Report, Monitoring Statement, Development Plan Scheme, and Adoption of the Action Programme at different stages of the Plan process. This change would provide greater clarity on the range of documents regarding which the Joint Committee has delegated authority.
- The content of the Summary of Unresolved Issues document should be approved by the Joint Committee without ratification if it is agreed that there should be no modifications to the Proposed Plan. This document summarises the issues raised through the consultation which have not been taken account of either partially or fully through modifications to the plan.

2.8 It was also proposed to make a series of minor edits to the Scheme of Delegation to clarify its functions.

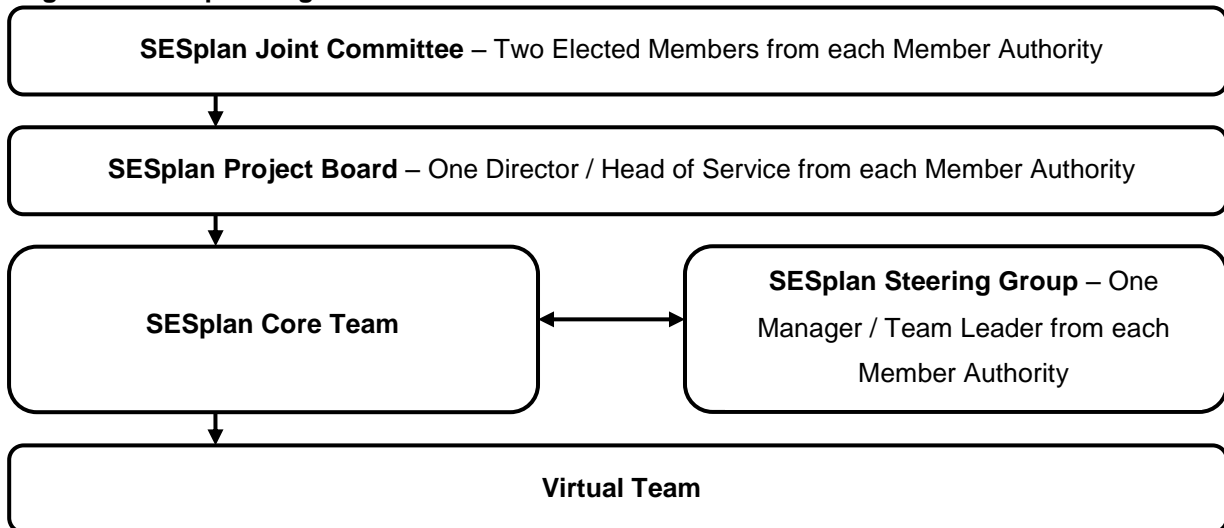
2.9 The Financial Regulations were approved by the Joint Committee in January 2009 and subsequently ratified by the six member authorities. Fife Council acts as the lead authority on financial matters. The Financial Regulations as approved stated that SESplan will submit 'detailed monitoring reports to the SESplan Joint Committee at the 6, 9 and 12 month stages of each financial year'. A detailed report on the budget is considered in the December meeting. To fit in with this timescale, it was proposed to amend the financial regulations to only require two reports to go to the Joint Committee, with one being at the end of each financial year.

2.10 The Joint Committee at its meeting on the 5 December 2011 agreed the changes to the SESplan Constitution, Scheme of Delegation and Financial Regulations and referred the amendments to the member authorities for ratification.

ORGANISATION

2.11 The organisation structure of SESplan is set out in Figure 1 below.

Figure 1 – SESplan Organisation Structure



2.12 The Core Team is supported by a Virtual Team, which includes resources from each of the member authorities. The Core Team is co-located with SEStran, with SEStran providing administrative support to the team. As stated above, Fife Council acts as treasurer to the authority whilst also providing HR / payroll support to the SESplan Core Team. Scottish Borders provides legal support.

2.13 As set out in Figure 1 above and Table 1 below, the SESplan Joint Committee consists of 12 members, with 2 members being appointed from each of the member authorities.

Table 1 – Membership of the SESplan Joint Committee (2011 - 2012)

SESplan Member Authority	SESplan Joint Committee Member
City of Edinburgh	Councillor J Lowrie (Liberal Democrat) Councillor J Mowat (Conservative)
East Lothian	Councillor P McLennan (SNP) Councillor B Turner (Liberal Democrat)
Fife	Councillor J Beare (SNP) Councillor A Martin (Liberal Democrat)
Midlothian	Councillor D Milligan (Labour) Councillor R Imrie (Labour)

SESplan Member Authority	SESplan Joint Committee Member
Scottish Borders	Councillor V Davidson (Liberal Democrat) Councillor C Riddell-Carre (Conservative)
West Lothian	Councillor R de Bold (SNP) Councillor M Day (SNP)

2.14 The Convener and Vice Convener of the Committee rotate annually and hold office for a period of one year (1 January to 31 December). As set out in Table 2 below the Convener and Vice Convener of the SESplan Joint Committee for the period 1 April to 31 December 2011 was Midlothian (Councillor R Imrie) and East Lothian (Councillor B Turner). On the 1 January 2012 and as agreed at the SESplan Joint Committee meeting held on the 5 March 2012, Councillor B Turner took office as Convener with West Lothian (Councillor M Day) taking office as Vice Convener.

Table 2 – Rotation of Chair and Vice Chair of the SESplan Joint Committee

Year	Chair	Vice Chair
1 January 2008 – 31 December 2008	City of Edinburgh	Scottish Borders
1 January 2009 – 31 December 2009	Scottish Borders	Fife
1 January 2010 – 31 December 2010	Fife	Midlothian
1 January 2011 – 31 December 2011	Midlothian	East Lothian
1 January 2012 – 31 December 2012	East Lothian	West Lothian
1 January 2013 – 31 December 2013	West Lothian	City of Edinburgh

MEETINGS

2.15 Meetings of the SESplan Joint Committee were held in the period 1 April 2011 to 31 March 2012, as at Table 3 below.

Table 3 – 2011 / 2012 SESplan Joint Committee Meetings

Meeting	Attendance
<p>13 June 2011 Council Chamber, Midlothian House, Dalkeith</p>	<p>Councillor J Lowrie, City of Edinburgh Councillor B Turner, East Lothian (Vice Convener) Councillor J Beare, Fife Councillor R Imrie, Midlothian (Convener) Councillor C Riddell-Carre, Scottish Borders Councillor V Davidson, Scottish Borders Councillor R de Bold, West Lothian Councillor M Day, West Lothian</p> <p>Apologies Councillor J Mowat, City of Edinburgh Councillor P McLennan, East Lothian Councillor A Martin, Fife Councillor D Milligan, Midlothian</p>
<p>26 July 2011 Old Council Chamber, City Chambers, Edinburgh</p>	<p>Councillor J Lowrie, City of Edinburgh Councillor J Mowat, City of Edinburgh Councillor B Turner, East Lothian (Vice Convener) Councillor P McLennan, East Lothian Councillor J Beare, Fife Councillor R Imrie, Midlothian (Convener) Councillor T Jones, Scottish Borders Council (Substitute) Councillor V Davidson, Scottish Borders Councillor R de Bold, West Lothian Councillor M Day, West Lothian</p> <p>Apologies Councillor A Martin, Fife Councillor D Milligan, Midlothian Councillor C Riddell-Carre, Scottish Borders</p>
<p>5 December 2011 Council Chamber, Midlothian House, Dalkeith</p>	<p>Councillor J Lowrie, City of Edinburgh Councillor J Mowat, City of Edinburgh Councillor B Turner, East Lothian (Vice Convener) Councillor P McLennan, East Lothian Councillor A Martin, Fife Councillor R Imrie, Midlothian (Convener) Councillor C Riddell-Carre, Scottish Borders Councillor R de Bold, West Lothian Councillor M Day, West Lothian</p> <p>Apologies Councillor J Beare, Fife Councillor D Milligan, Midlothian Councillor V Davidson, Scottish Borders</p>

Meeting	Attendance
<p>5 March 2012 Council Chamber, Town House, Haddington</p>	<p>Councillor J Lowrie, City of Edinburgh Councillor J Mowat, City of Edinburgh Councillor B Turner, East Lothian (Vice Convener) Councillor P McLennan, East Lothian Councillor A Martin, Fife Councillor R Imrie, Midlothian (Convener) Councillor C Riddell-Carre, Scottish Borders Councillor R de Bold, West Lothian Councillor M Day, West Lothian</p> <p>Apologies</p> <p>Councillor J Beare, Fife Councillor D Milligan, Midlothian Councillor V Davidson, Scottish Borders</p>

3. STRATEGIC DEVELOPMENT PLAN TEAM

- 3.1 As set out in paragraph 2.3 above, Circular 2/2008 identifies the need to establish a dedicated team of officers.
- 3.2 The SESplan Core Team consists of three permanent and one temporary member of staff (contract to 31 March 2013). The SESplan Core Team as at 31 March 2012 is as set out in Table 4 below.

Table 4 – SESplan Core Team (as at 31 March 2012)

Position	Name
Strategic Development Plan Manager	Ian Angus
Lead Officer	Alice Miles
Planner	Annmaree Wood
Planner (Temporary)	Graeme Smith

4. REVIEW OF 2011 / 2012

- 4.1 SESplan hit many milestones over the course of 2011 / 2012. A summary is provided below.

DEVELOPMENT PLAN SCHEME

4.2 The publication of a Development Plan Scheme (DPS) is a statutory requirement placed on SESplan by the Planning etc. (Scotland) Act 2006. The DPS sets out SESplan's programme for preparing and reviewing the SDP and what is likely to be involved at each stage. The document also includes a Participation Statement advising when, how and with whom consultation will take place. The scheme must be regularly monitored and reviewed at least annually.

4.3 DPS4 was agreed for publication, deposit and copying to Scottish Ministers by the Joint Committee at its meeting on the 5 March 2012. DPS4 contains the following timetable for the preparation of the SDP.

Table 5 – Timetable for Preparation of SDP (DPS4)

Stage	Timescale
SESplan created	Jun 2008
Approval of Edinburgh and South East Scotland SDP Boundary	Nov 2008
Publication of DPS1	Mar 2009
Preparation of Main Issues Report and supporting documents	Jan – Mar 2009
Publication of Main Issues Report and Interim Environmental Report	May 2010
Statutory Consultation	May – Aug 2010
Analysis of Representations	Sep – Nov 2010
Preparation of Proposed Plan and updated Environmental Report	Sep 2010 – May 2011
SESplan Joint Committee	Jun 2011
Member Authorities Ratification Process	Summer – Autumn 2011
Desktop Publishing and printing of Proposed Plan	Autumn – Winter 2011
Publication of Proposed Plan	Autumn – Winter 2011
Formal representation period for submission of representations	Late 2011
Analysis of Representations	Early 2012
SESplan Joint Committee	Jun 2012
Submission of SDP to Scottish Ministers	Jul 2012

Stage	Timescale
Examination in public of outstanding objections and final Ministerial decision	To be determined by Scottish Ministers

MAIN ISSUES REPORT

4.4 At its meeting on the 26 July 2011, the Joint Committee noted how the submissions have informed the preparation of the Proposed Plan and agreed the proposed responses to the submissions made on the Main Issues Report (MIR) for onward ratification by each of the member authorities.

THE SDP

4.5 The Proposed Plan and accompanying documents were put forward to SESplan Joint Committee on 13 June 2011. The SESplan Joint Committee, having noted progress towards finalisation of the MIR Consultation Proposed Responses to Submissions and their importance as part of the ratification process, agreed to continue consideration of the Proposed Plan to an additional meeting of the Joint Committee to be held on 26 July 2011. This would allow consideration of the Proposed Plan to take into account not only the updated Environment Report and Addendum and Equalities and Human Rights Impact Assessment presented at the meeting on 13 June, but also the Action Programme and the technical assessments which underpin the Proposed Plan.

4.6 The Joint Committee subsequently approved the Proposed Plan, Action Programme, updated Environment Report and Addendum and draft Equalities and Human Rights Impact Assessment for ratification by the six Member Authorities and thereafter for publication at its meeting on the 26 July 2011. Following the conclusion of the ratification process, the Proposed Plan and accompanying documents were published for a six week period on the 7 November 2011. The beginning of 2012 therefore concentrated on analysis of the representations received.

AUDIT AND GOVERNANCE

4.7 The main elements of the Annual Audit were to,

- a) Audit the financial statements, including a review of the Statement on the System of Internal Financial Control,
- b) Review corporate governance arrangements, and
- c) Review internal financial controls and financial systems.

4.8 The Annual Audit concluded that the organisation's governance arrangements are in general satisfactory and report no significant issues.

4.9 The Action Plan set out two recommendations for action as follows,

- a) SESplan should circulate the audited accounts to Joint Committee members within 2 months of receipt;
- b) SESplan should keep under review the quality and value of service provision and the potential need for Service Level Agreements.

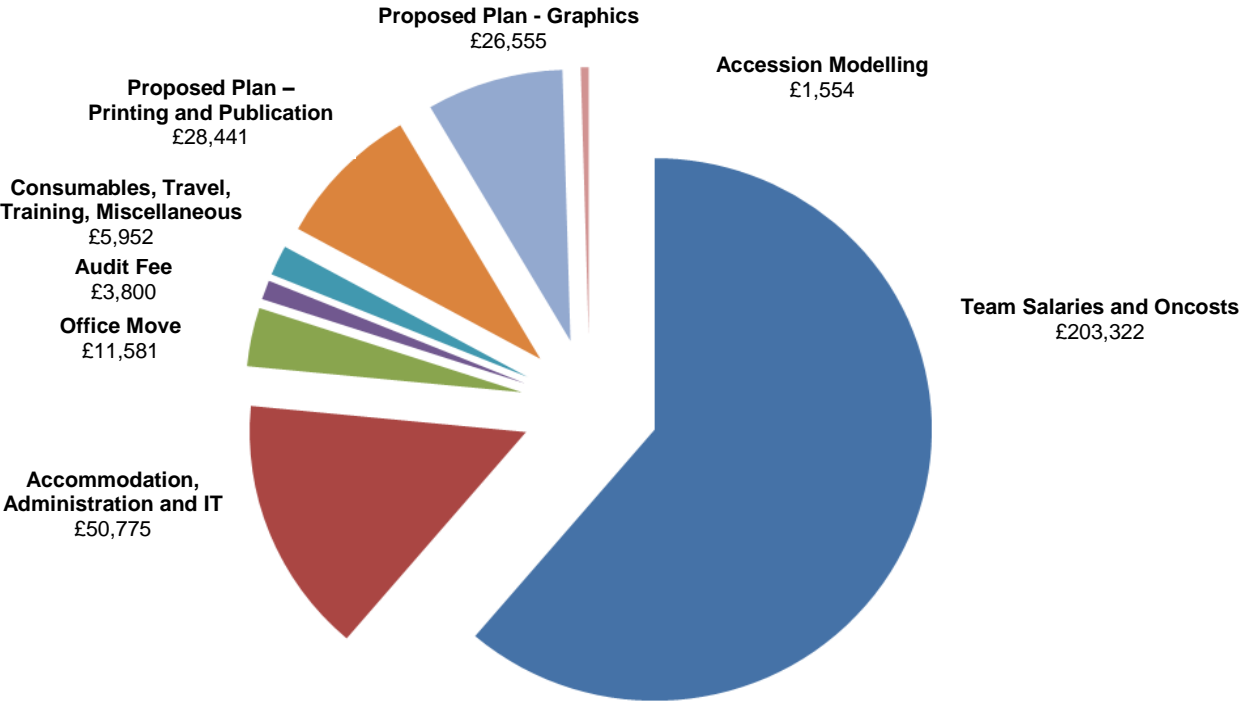
4.10 The SESplan Core Team is addressing the requirements of these recommendations.

5. FUNDING AND EXPENDITURE

5.1 SESplan Financial Regulations Reporting Requirements specify that detailed monitoring reports are to be submitted to the SESplan Joint Committee at the 6 and 12 month stages of each financial year. The 12 month final out turn position for 2011 / 2012 was considered at SESplan Joint Committee on the 29 June 2012.

5.2 Expenditure in 2011 / 2012 is set out in Figure 3 below. The majority of expenditure in 2011 / 2012 related to fixed costs including SESplan Core Team salaries and oncosts (61%), team accommodation, administration and IT (15%) and consumables, travel, training, miscellaneous expenses and the annual audit fee paid to Audit Scotland. Around 17% of the Operating Budget was spent on variable costs including the publication and preparation of the Proposed Plan.

Figure 3 – SESplan Expenditure in 2011 / 2012



5.3 The SESplan Operating Budget for 2012 / 2013 was approved at SESplan Joint Committee on the 5 December 2011. The SESplan Joint Committee agreed to set member council contributions for 2012 / 2013 at £49,000 per member authority, payable to Fife Council by the 30 April 2011.

6. RATIFICATION

6.1 Under the Scheme of Delegation (approved November 2008 but now superseded by that approved by the Joint Committee on 5 December 2011) ratification by Member Authorities was required for major decisions on SDP content. There were 4 items which were brought to the SESplan Joint Committees throughout the year which required ratification by the Member Authorities.

SESPLAN JOINT COMMITTEE, 26 JULY 2011 OLD COUNCIL CHAMBER, CITY CHAMBERS, EDINBURGH - RESPONSES TO MAIN ISSUES REPORT CONSULTATION AND PROPOSED PLAN

- 6.2 Members agreed SESplan’s proposed responses to submissions on the Main Issues Report for ratification by the six Member Authorities. All 6 Authorities ratified these responses.
- 6.3 The Proposed Plan, Action Programme, updated Environment Report and Addendum and draft Equalities and Human Rights Impact Assessment was considered and ratified by all Member Authorities.
- 6.4 Table 6 illustrates the ratification process for these two items. Copies of the relevant Minutes are available on the SESplan website and on each Member Authority’s website

Table 6 – Ratification Timeline

Member Authority	Committee	Date
SESplan	Joint Committee	26 July 2011
West Lothian	Development and Transport Policy and Development Scrutiny Panel	4 August 2011
Fife	Dunfermline Area Committee	10 August 2011
Fife	Glenrothes Area Committee	10 August 2011
City of Edinburgh	Planning Committee	11 August 2011
Fife	South West Fife Area Committee	17 August 2011
East Lothian	Council	23 August 2011
Midlothian	Full Council	23 August 2011
Fife	Kirkcaldy Area Committee	24 August 2011
Scottish Borders	Full Council	25 August 2011
Fife	Levenmouth Area Committee	31 August 2011
Fife	Cowdenbeath Area Committee	31 August 2011

Member Authority	Committee	Date
City of Edinburgh	Policy and Strategy Committee	6 September 2011
Fife	Planning Committee	20 September 2011
West Lothian	Council Executive	20 September 2011
City of Edinburgh	Full Council	22 September 2011
Fife	Full Council	6 October 2011

- 6.5 City of Edinburgh Policy and Strategy Committee referred the Proposed Plan to Full Council subject to a definition of small scale housing development being added to the Glossary and the draft Glossary being available to the Full Council for consideration. Full Council ratified the Proposed Plan with no requests for amendments.
- 6.6 East Lothian Council ratified SESplan's decision to approve the Proposed Plan and the accompanying Action Programme subject to an addition to the Action Programme relating to cross Edinburgh local rail services. Members also agreed the content of the Main Issues Report – Responses to Submissions, Environmental Report and draft Equalities and Human Rights Impact Assessment through the Members Library Service.
- 6.7 Within Fife, the documents were considered by six Area Committees, Planning Committee and Full Council. Fife Council's Planning Committee and Full Council's ratified the decision of SESplan. Midlothian Council also ratified the decision of SESplan at their meeting.
- 6.8 Scottish Borders ratified the decision of SESplan subject to changes in the Proposed Plan; that references to 'Midlothian / Borders Corridor' be replaced with 'Midlothian / Borders' and addition of a sentence at paragraph 71 "*Development within the Midlothian / Borders Sub Regional Area will be focussed on four SDAs comprising locations on the A7 / A68 / Borders Rail routes, the Central and Western Borders and the A701. For the avoidance of any doubt, ribbon development will be avoided in the Borders*".

6.9 The Development and Transport Policy and Development Scrutiny Panel within West Lothian considered the Proposed Plan and accompanying documents on the 4 August 2011. It was agreed to forward the documents to Council Executive. Council Executive ratified the document.

6.10 The changes sought by the Member Authorities through the ratification process were of a non-policy nature and did not require amendments to the Spatial Strategy or the policies set out within the Proposed Plan.

SESPLAN JOINT COMMITTEE, 5 DECEMBER 2011, MIDLOTHIAN COUNCIL OFFICES, COUNCIL CHAMBER, MIDLOTHIAN HOUSE, DALKEITH - REVIEW OF GOVERNANCE

6.11 Proposed amendments of the SESplan governance scheme, comprising the Constitution, Scheme of Delegation and Financial Regulations, with a view to making the process more expedient. These minor changes to the operation of the Joint Committee and the SESplan Financial Regulations were agreed by Members for referring to constituent Councils for ratification as shown in Table 7.

Table 7 – Ratification of Governance

Member Authority	Date of Ratification
Midlothian Council	10 January 2012
East Lothian Council	28 February 2012
City of Edinburgh Council Planning Committee	14 June 2012
Full Council	28 June 2012
Fife Council	20 March 2012
Scottish Borders Council	26 January 2012
West Lothian Council	20 March 2012

6.12 All Member Authorities ratified the proposed amendments to the Governance with Scottish Borders Council agreeing the recommendations on the provision that the Proposed Plan Schedule 4's were provided to SBC for ratification. At the SESplan Joint Committee in March 2012 the Committee agreed that the SESplan Manager would extend the opportunity to all member authorities, in line with the recommendation agreed by Scottish Borders Council, to consider the Proposed Plan, representations and draft SESplan responses prior to the Joint Committee.

SESPLAN JOINT COMMITTEE, 5 DECEMBER 2011, MIDLOTHIAN COUNCIL OFFICES, COUNCIL CHAMBER, MIDLOTHIAN HOUSE, DALKEITH - FINANCE UPDATE AND OPERATING BUDGET 2013 / 2014

6.13 Member Authorities were asked to ratify the approval of the proposed SESplan Operating Budget and member Council contributions. All Councils ratified.

7. THE YEAR AHEAD (1 APRIL 2012 / 31 MARCH 2013)

THE DEVELOPMENT PLAN SCHEME

7.1 The Development Plan Scheme must be regularly monitored and reviewed at least annually. Following the publication of DPS4, work will commence on a review with DPS5 to be considered at SESplan Joint Committee at the beginning of 2013. Following approval, DPS5 will replace DPS4 and will be published on the SESplan website and circulated to all member authorities and local libraries within the SESplan area.

THE SDP

7.2 Throughout 2011 / 2012, resources have been focussed on the preparation and publication of the Proposed Plan. 2012 / 2013 will be focussed on submission of the Proposed Plan to Scottish Ministers and the subsequent Examination and early evidence gathering to commence the process of preparing SDP2.

7.3 Continued engagement with the key agencies, other SDPA authorities and other key stakeholders will also be undertaken.

THE AUDIT

7.4 In 2012 / 2013 SESplan will continue to review the potential need for Service Level Agreements.

MILESTONES FOR 2012 / 2013

7.5 The milestones for 2012 / 2013 are set out in Table 8 below.

Table 8 – Milestones for 2012 / 2013

Milestones for 2012 / 2013		
1.	Approval of Proposed Plan and Supporting Documents by SESplan Joint Committee	June 2012
2.	Submission of Proposed Plan and Supporting documents	August 2012
3.	Examination of Proposed Plan Commences	October 2012
4.	Project Management and Governance Review	December 2012
5.	Approve Six Month Financial Report on 2012 / 2013.	March 2013
6.	Approve for Ratification Operating Budget 2013 / 2014.	March 2013
7.	Publication of Development Plan Scheme 5	April 2013