

REPORT TO: East Lothian Council

MEETING DATE: 17 December 2019

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: National Planning Framework 4/ Regional Spatial Strategies and SESplan budget

1 PURPOSE

- 1.1 To seek Members' approval for East Lothian to work with the SESplan authorities to prepare an Indicative Regional Spatial Strategy. The report also seeks ratification of the decision of the SESplan Joint Committee to approve the SESplan operating budget, and the payment of a financial contribution to assist with the preparation of the Indicative Regional Spatial Strategy.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- (i) agrees that East Lothian Council should work collectively with the other SESplan authorities to prepare an Indicative Regional Spatial Strategy for the Edinburgh and South East Scotland City Region;
 - (ii) ratifies the decision of the SESplan Joint Committee of 25 November to approve the SESplan operating budget for the financial year 2020/21 including a rebate to each of the constituent authorities; and
 - (iii) agrees to contribute £5,000 to the development of an Indicative Regional Spatial Strategy.

3 BACKGROUND

- 3.1 The Planning (Scotland) Act 2019 sets out a requirement for all Local Authorities, either individually or collectively, to produce a Regional Spatial Strategy. This document would provide a prospectus for the area

which it covers and be taken into account during the production of the development plan (under the new Planning Act the Development Plan is made up of the National Planning Framework and Local Development Plan) and other strategies across the area.

- 3.2 At its meeting on 25 November 2019 the SESplan Joint Committee discussed and noted that it was proposed that the existing SESplan authorities (East Lothian, Midlothian, West Lothian, Edinburgh and Fife Councils) would work together to feed into the development of Regional Growth Framework for the Edinburgh and South East Scotland City Region.
- 3.3 This discussion was within the context of a letter sent from the Chief Planner (Appendix A) to all Local Authority Chief Executives setting out possible groupings of authorities that could work together and feed into the development of the Regional Spatial Strategy and the National Planning Framework. It is for the Local Authorities to respond to the Chief Planner on whether they are content with these groupings. Due to the timescales set out in the Chief Planner's letter, officers have responded in line with the proposal.
- 3.4 The proposal to work collectively on the Regional Spatial Strategy reflects the recent decision of the Edinburgh City Deal Joint Committee to begin work on the production of a Regional Growth Framework. This decision was noted by East Lothian Council at its meeting on 29 October.
- 3.5 The exact process for producing the Indicative Regional Spatial Strategy will be finalised in the near future, but the process will be substantially complete by March/April 2020 in order to allow the Strategy to be taken into account in the development of the National Planning Framework.
- 3.6 Members will be kept fully informed during the process of developing the Indicative Regional Spatial Strategy and the final Strategy will be presented for approval to both the Joint Committee and East Lothian Council.
- 3.7 The Joint Committee at its meeting on 25 November agreed the SESplan operating budget for the financial year 2020/21.
- 3.8 The SESplan Financial Rules set out that Operating Budgets for the next financial year should be proposed by the SDP Manager, approved by the SESplan Joint Committee and that the decision be ratified by the member authorities by the end of December. In compliance with these rules, the SESplan Joint Committee at its meeting on the 25 November 2019 agreed to approve the Operating Budget for 2020/2021 (Appendix B).
- 3.9 As SESplan continues to operate through the Board, Joint Committee and a virtual team across the constituent authorities, significant savings have been achieved this financial year. The only fixed cost expenditure projected to be incurred this financial year relates to existing ongoing contracts for the online consultation portal (which hosts SESplan

documents); the SESplan IT and web site provider; and the annual external auditing of SESplan accounts.

- 3.10 This has resulted in the constituent authorities not being required to contribute the £60,000 income budgeted for in this financial year. Additionally, given the significant level of savings to assist in managing the reserve within the 2019/20 period, a rebate to each of the six constituent councils of £5,000 would reduce the reserve by £30,000. It is proposed that, alongside the other SESplan authorities, East Lothian Council subsequently provides £5,000 to the Edinburgh City Deal Joint Committee to assist in collaboratively resourcing work on regional spatial planning through the Indicative Regional Spatial Strategy.

4 POLICY IMPLICATIONS

- 4.1 The Indicative Regional Spatial Strategy, when approved will inform the development of the National Planning Framework 4 and the subsequent East Lothian Local Development Plan 2. In future the National Planning Framework 4 and the Local Development 2 will form the Development Plan which will provide the context for planning decisions in East Lothian.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – the financing of SESplan for the year 2020/21 does not require any financial contributions from the Council. There may be some costs associated with the development of an Indicative Regional Spatial Strategy. The £5,000 payment to the Edinburgh City Deal Joint Committee will assist in addressing these costs. Any subsequent costs will be met from the existing SESplan or City Deal budgets.
- 6.2 Personnel - the Council's Planning Service contributes to SESplan work and will contribute towards the work of inputting into the development of an Indicative Regional Spatial Strategy and National Planning Framework 4.
- 6.3 Other - none

7 BACKGROUND PAPERS

- 7.1 Appendix A - Letter from Chief Planner to Local Authority Chief Executives
- 7.2 Appendix B – SESplan Operating Budget 2020/21
- 7.3 Report to Council 28 October 2019 - Edinburgh and South East Scotland City Region Deal (ESES CRD) – Annual Report, Annual Conversation and Regional Growth Framework Update
https://www.eastlothian.gov.uk/meetings/meeting/16435/east_lothian_council

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To:
All Local Authority Chief Executives

NATIONAL PLANNING FRAMEWORK 4 – REGIONAL WORKING GROUPS – NEXT STEPS

As you will be aware, on 2 October 2019 we held a very interesting and productive event on regional spatial planning at the Engine Shed in Stirling. At the event we explored the new arrangements for strategic planning that will emerge from the Planning (Scotland) Act. I am very grateful to you and your colleagues for ensuring that your areas were represented and for engaging so constructively in the discussion.

A summary report of the event that includes the presentations is [available to view](#).

We have been considering the next steps for strategic planning within the context of our programme for preparing the National Planning Framework 4 (NPF4). At the event, we explained that there is an opportunity in the coming months to work together to develop 'indicative' regional spatial strategies across Scotland as a vehicle to ensure that regional priorities can be embedded in the draft NPF4. In time, those indicative strategies could also help authorities to begin work on preparing fuller regional spatial strategies for their areas. Furthermore, the shared experience of collaborating in this work will help to inform future statutory guidance that we intend to produce ahead of this section of the Act coming into force.

It is of course for each authority to decide how they will fulfil the new duty under the Act. However, during the discussion on 2 October it became clear that alignment with wider infrastructure and economic policies and programmes would be beneficial. As a starting point, we would therefore suggest that authorities consider establishing interim arrangements for collaborative strategic planning that broadly reflect the boundaries of city and growth deals across Scotland and which read across to the groupings now established for the second Strategic Transport Projects Review. We recognise this initial proposal may change over time but, for the purposes of NPF4, Annex A sets out suggested groupings that could form the basis of this approach.

Given the challenging timescale to produce NPF4, with a draft expected in September 2020, the Scottish Government is willing to offer practical support to assist this process.

We propose to make available a grant of up to £10,000 to each of the groupings in Annex A to help fund a participative ('charrette style') event to be held by mid-March 2020 to explore issues, priorities and outcomes that are relevant to future strategic planning in these areas.

Following this we will host an event towards the end of March 2020 to explore and share learning gained from this first stage to assist the production of indicative regional spatial strategies that can be reflected in NPF4.

To ensure we are in a position to develop a fuller framework for collaboration and support, I would be grateful if you would please confirm whether:

- your authority is willing to work in a regional grouping to prepare an indicative regional spatial strategy to feed into NPF4;
- your authority is content to progress this in association with the regional grouping as set out in Annex A
- your regional grouping is willing to nominate a single point of contact / champion to liaise with the NPF4 team over the coming months. If so, please confirm their contact details. We will provide further details to those contacts on the grant funding.

We would be grateful if you would consider this suggestion and respond by 28 November 2019 to scotplan@gov.scot. Should you have any queries or wish to discuss this further then please contact us.

Thank you again for the positive engagement of your authority - we look forward to working with you.

Kind regards



John McNairney
Chief Planner

Annex A

Potential Regional Groupings of planning authorities for collaboration on National Planning Framework 4

- Aberdeen City Region – *Aberdeen City Council, Aberdeenshire Council*
- Ayrshire and Arran – *North Ayrshire Council, East Ayrshire Council, South Ayrshire Council*
- Edinburgh City Region – *City of Edinburgh Council, East Lothian Council, Fife Council, Midlothian Council, West Lothian Council, Scottish Borders Council*
- Glasgow City Region – *East Dunbartonshire Council, East Renfrewshire Council, Glasgow City Council, Inverclyde Council, North Lanarkshire Council, Renfrewshire Council, South Lanarkshire Council*
- Highlands and Moray – *The Highland Council, Moray Council, Cairngorms NPA*
- South of Scotland – *Dumfries and Galloway Council, Scottish Borders Council*
- Stirling / Clackmannanshire / Falkirk – *Clackmannanshire Council, Falkirk Council, Stirling Council, Loch Lomond and The Trossachs NPA*
- Tay Cities Region – *Angus Council, Dundee City Council, Perth and Kinross Council*
- Islands - *Western Isles Council, Orkney Council, Shetland Islands Council, Argyll and Bute Council*

ITEM 6 – SESplan Operating Budget: 2019/20 and 2020/21 Budget

Report By: Pam Ewen, Chief Officer Planning, Fife Council and SESplan Board Chair

Purpose

This report presents an update on the SESplan Operating Budget for 2019/2020 and sets out the SESplan Operating Budget for 2020/2021 for Joint Committee approval.

Recommendations

It is recommended that the SESplan Joint Committee:

1. Note the updated forecast expenditure against the approved Operating Budget for 2019/2020 set out within Appendix 1 to this Report;
2. Approve a rebate of £5,000 per each of the six constituent Councils within the current 2019/20 financial year;
3. Approve the updated Operating Budget for 2020/2021 set out within Appendix 1 to this Report;
4. Note that member contributions for financial year 2020/2021 are nil;
5. Note that member authorities will be required to ratify decision 3 above; and,
6. Note that an Operating Budget for 2021/2022 will be brought to a meeting of the SESplan Joint Committee in late 2020.

Resource Implications

It is projected that significant savings will be achieved this financial year as SESplan continues to operate through the SESplan Board, Joint Committee and a virtual team across the constituent authorities. A projected expenditure of £18,064 and a saving of £165,184 is forecast for 2019/2020. To manage the reserve a £30,000 rebate, if Recommendation 2 above is approved, will reduce the reserve balance to £130,187 at 31 March 2020. Appendix

One to this report builds in the projection based on the recommended rebate. Total expenditure for 2020/2021 is projected to be £84,000. As a consequence of the reserves built up in 2019/2020 and the further savings and staffing assumptions outlined below for 2020/2021, it is proposed that nil contributions are made by the SESplan member authorities in 2020/2021.

Legal and Risk Implications

The budget for 2020/2021 is allocated in principle with a focus on consultancy fees given the future governance arrangements for SESplan. Future Operating Budgets will be required to be reviewed against the provisions of the Planning (Scotland) Act 2019 and the associated secondary legislation as it is published and further details are known.

Policy and Impact Assessment

No separate impact assessment is required.

1. Background

- 1.1 The SESplan Financial Rules set out that Operating Budgets for the next financial year should be proposed by the SDP Manager, approved by the SESplan Joint Committee and that decision ratified by the member authorities by the end of December.
- 1.2 In compliance with these rules, the SESplan Joint Committee at its meeting on the 26 November 2018 agreed to approve the Operating Budget for 2019/2020.

2. SESplan Operating Budget 2019/2020

- 2.1 The latest position on the SESplan Operating Budget for 2019/2020 as at November 2019 is included as Appendix 1.
- 2.2 Traditionally the largest spend by SESplan has been on staffing. As set out in Appendix 1, the approved Operating Budget 2019/2020 includes a total staffing budget of

£75,000. However, as SESplan continues to operate through the Board, Joint Committee and a virtual team across the constituent authorities, significant savings have been achieved this financial year. The absence of a SESplan core team and no requirement to provide a dedicated staffing resource or associated office costs results in a forecasted £91,684 underspend of fixed costs. The only fixed cost expenditure projected to be incurred this financial year relates to existing ongoing contracts for the online consultation portal (which hosts SESplan documents); the SESplan IT and web site provider; and the annual external auditing of SESplan accounts.

2.3 The approved 2019/2020 Operating Budget also includes an allowance of £73,500 for technical support/variable costs. As highlighted above, due to the absence of a core team and that SESplan is not within a plan preparation phase, no technical support/variable costs are projected to be incurred within 2019/2020.

2.4 The total expenditure within 2019/2020 is projected to be £18,064, which set against a budget of £183,248 results in a projected variance (underspend) of £165,184. This has resulted in the constituent authorities not being required to contribute the £60,000 income budgeted for in this financial year. Additionally, given the significant level of savings to assist in managing the reserve within the 2019/20 period, a rebate to each of the six constituent Councils of £5,000 would reduce the reserve by £30,000, as set out in Recommendation 2. This would also provide an opportunity for Councils to assist in collaboratively resourcing work on regional spatial planning through the Regional Growth Framework. The projected reserve at 31 March 2020 as set out in Appendix One is £130,187.

3. SESplan Operating Budget 2020/2021

3.1 As detailed in Appendix 1, the budget for 2020/2021 is allocated in principle with a focus on consultancy fees given the future governance arrangements for SESplan. The consultant fees are projected as £65,000 which reflects the total technical support/variable costs budget for undertaking any regional spatial planning consultancy work.

3.2 Staffing assumptions for 2020/2021 reflect the existing governance arrangements, with SESplan continuing to operate through the Board, Joint Committee and virtual team across the constituent authorities. This will continue to achieve significant operating cost savings. Again, as in 2019/2020, the only fixed cost expenditure projected to be incurred in 2020/2021 relates to existing ongoing contracts for the online consultation portal; the SESplan IT and web site provider; and the annual external auditing of SESplan accounts. Total fixed cost expenditure is projected to be £19,000.

3.3 As detailed in Appendix 1, the Budget for 2020/2021 sets out total expenditure of £84,000. Using the reserves built up in 2019/2020 and on the further savings and staffing assumptions outlined above, it is proposed that nil contributions are made by the SESplan member authorities in 2020/2021. This will result in a usable reserve balance going into 2020/2021 of £130,187 which is in excess of the one month's operating costs target reserve.

4. SESplan Operating Budget Going Forward

4.1 Future Operating Budgets will be required to be reviewed against the provisions of the Planning (Scotland) Act 2019 and the associated secondary legislation as it is published and further details are known.

Appendices

Appendix 1: 2019/2020 Operating Budget, Forecast and Variance and 2020/2021
Operating Budget

Report Contact

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Appendix 1: 2019/2020 Operating Budget, Forecast and Variance and 2020/2021 Operating Budget

| DESCRIPTION | 19/20 Budget | 19/20 Projection | 19/20 Variance | 20/21 Budget |
|---|-----------------|---------------------|-------------------|-----------------|
| Staff | 75,000 | 0 | (75,000) | 0 |
| Training | 1,000 | 0 | (1,000) | 0 |
| Rents Payable (Including Service Charge) | 4,292 | 0 | (4,292) | 0 |
| Travel | 1,500 | 0 | (1,500) | 0 |
| IT Hardware,Software and Maintenancer) | 15,500 | 14,564 | (936) | 15,500 |
| Mobile Line Rental | 206 | 0 | (206) | 0 |
| Audit/Professional Fees | 3,400 | 3,500 | 100 | 3,500 |
| Miscellaneous | 8,850 | 0 | (8,850) | 0 |
| Total Fixed Costs | 109,748 | 18,064 | (91,684) | 19,000 |
| Technical Support | | | | |
| Printing/Photocopying Costs | 4,000 | 0 | (4,000) | 0 |
| Consultant Fees | 65,000 | 0 | (65,000) | 65,000 |
| Postages/Franking | 500 | 0 | (500) | 0 |
| Advertising/Marketing | 4,000 | 0 | (4,000) | 0 |
| Other Services (Contingency 10%) | 0 | 0 | 0 | 0 |
| Total Variable Costs | 73,500 | 0 | (73,500) | 65,000 |
| Total Expenditure | 183,248 | 18,064 | (165,184) | 84,000 |
| Contribs/Rebates To/From Other LA'S | (60,000) | 30,000 | 90,000 | 0 |
| Interest On Revenue Balances | 0 | 0 | | 0 |
| Total Income | (60,000) | 30,000 | 90,000 | 0 |
| Net | 123,248 | 48,064 | (75,184) | 84,000 |
| Usable Reserve balance (at 31 March 2019 Budgeted £197,979/actual £178,251) | 197,979 | 178,251 | | 130,187 |
| Take from/(add) to Reserves | 123,248 | 48,064 | | 84,000 |
| Usable Reserve balance (at 31 March 2019 Budgeted £197,979/actual £178,251) | 74,731 | 130,187 | | 46,187 |
| Usable reserves as % of expenditure | 41% | 721% | | 55% |
| Target Reserve (1 month's operating costs) | 15,271 | 1,505 | | 7,000 |
| (Shortfall)/Surplus on target reserve of 1month's operating costs | 59,460 | 128,682 | | 39,187 |