

MINUTE OF THE MEETING OF THE SESPLAN JOINT COMMITTEE HELD ON 18 NOVEMBER 2013

Committee Members Present:-

Councillor Cathy Muldoon (Chair), West Lothian Council
Councillor Ian Perry (Vice Chair), City of Edinburgh Council
Councillor Sandy Howat, City of Edinburgh Council
Councillor Norman Hampshire, East Lothian Council
Councillor Tim Day, East Lothian Council
Councillor Lesley Laird, Fife Council
Councillor Jim Bryant, Midlothian Council
Councillor Owen Thompson, Midlothian Council
Councillor Stuart Bell, Scottish Borders Council
Councillor Bill White, Scottish Borders Council
Councillor Tony Boyle, West Lothian Council

Apologies:-

Councillor Alex Rowley, Fife Council
Councillor Ron Smith, Scottish Borders Council

In Attendance:-

Mr Ian Angus, SDP Manager
Ms Alice Miles, Lead Officer SESPlan
Mr Graeme Marsden, SESplan
Mr John Inman, City of Edinburgh Council
Mr Richard Jennings, East Lothian Council
Mr Ian Glen, East Lothian Council
Mr Jim Birrell, Fife Council
Ms Janice Long, Midlothian Council
Mr Ian Johnston, Midlothian Council
Mr Martin Wanless, Scottish Borders Council
Mr Brian Frater, Scottish Borders Council
Mr Craig McCorriston, West Lothian Council
Ms Anne Higgins, West Lothian Council (Clerk)
Dr Andy Park, Centre for Housing Market Analysis (CHMA), Scottish Government

1. ORDER OF BUSINESS AND ANY URGENT MATTERS

Urgent Matter – SDPA Review

The Joint Committee agreed a suggestion by the Chair that an additional item of business, which concerned 'Review of SDPAs', be considered at

this point in the meeting as an urgent item of business.

The SDP Manager then provided information as undernoted:-

- The review, which has been commissioned by Scottish Government, is focussed on processes and is underway with a timescale for completion of February 2014.
- A Consultant's Brief as set by Scottish Government outlining the scope of the review had been produced and would be circulated to SESplan members in due course.
- Thereafter, a series of interviews and workshops would be held, allowing the SESplan Joint Committee's voice to be heard.

Decision

To note the position regarding the review and to agree that this item of business be placed on the Workplan for future consideration.

2. MINUTE

The Joint Committee approved the minute of its meeting held on 30th September 2013.

3. SUPPLEMENTARY GUIDANCE HOUSING LAND – UPDATE

The Joint Committee considered a report (copies of which had been circulated) by the SDP Manager providing an update on the ratification and publication of the Supplementary Guidance on Housing Land.

The SDP Manager recalled that, at its meeting held on 30th September 2013, the Joint Committee had approved the draft Supplementary Guidance on Housing Land for ratification and thereafter for publication for consultation.

The report provided a table showing dates on which each of the six member authorities had ratified the draft Supplementary Guidance.

The Joint Committee was informed that the draft Supplementary Guidance had been published for a six week period of consultation on 12th November 2013. A Participation Statement setting out how and when the consultation would take place was included as Appendix A to the report.

The Joint Committee was also asked to note that the close of the consultation period was 5.00 pm on 23 December (and not 20 December as reflected in the report) and that all comments received would be

assessed and analysed. A further report advising of the issues raised and whether any modifications to the Supplementary Guidance were recommended would then be brought to a SESplan Joint Committee in early 2014 for consideration.

It was recommended that the SESplan Joint Committee note the progress of the Supplementary Guidance on Housing Land as set out below and detailed in Appendix A.

Decision

To note the terms of the report.

4. STRATEGIC DEVELOPMENT PLAN 2 – HOUSING UPDATE

The Joint Committee considered a report (copies of which had been circulated) by the SDP Manager providing an update on the progress on the background evidence gathering on housing land being undertaken to inform Strategic Development Plan (SDP) 2.

The SDP Manager advised that progress had been made on HNDA2 with key actions including:-

- The establishment of HNDA2 Project Team including a Housing Executive to sign off the final HNDA2;
- Membership of the Housing Market Partnership (HMP) had been agreed with over 300 representatives, interested parties and stakeholders.
- The HNDA Toolkit which would inform the final HNDA2 report had been published by the CHMA.
- Preparation of HNDA2 was underway and would be made available for formal consultation with the HMP around the end of the year.

The SDP Manager reported on the work carried out by Oxford Economics on the economic forecasting for the SESplan area. The evidence base would be used to evaluate which of the scenarios in the HDNA tool appeared most feasible. Oxford Economics would engage with the CHMA to understand the rationale behind modelling in the tool and determine which scenarios were most appropriate in three areas – ‘income, growth and distribution’, ‘prices and affordability’ and ‘rent growth assumption’. This short study was critical to informing the economic elements of the HDNA and was nearing completion. A set of scenarios were currently being considered.

The Joint Committee then heard from Dr Andy Park (CHMA) concerning

the work being carried out to develop an approach for 'existing need' and 'household projects'.

The Joint Committee was also informed of a series of 'mini' consultations being undertaken on specific areas of the draft HNDA.

Finally, it was noted that the focus over the coming few months would be on agreeing appropriate scenarios to input to the CHMA tool. Scenarios would be agreed by member authorities enabling the tool to be run and key statistics on housing need obtained.

It was recommended that the SESplan Joint Committee note the progress on the background evidence gathering on housing land being undertaken to inform SDP2.

During discussion, it was agreed that a workshop be held on the housing needs and demand assessment for members to have a run through the scenarios and to have a more detailed discussion on the Toolkit and housing needs and demand assessment process more generally.

Decision

1. To note the report providing an update on the progress on the background evidence gathering on housing land being undertaken to inform Strategic Development Plan (SDP)2.
2. To note advice provided by Andy Park (Scottish Government) concerning the HNDA Toolkit.
3. To agree that arrangements be made for a Workshop (around January 2014) to allow members of the Joint Committee to consider appropriate scenarios to input to the CHMA tool.
4. To note that further reports on progress would be brought to a future meeting of the Joint Committee.

5. SESPLAN OPERATIONAL REVIEW

The Joint Committee considered a report (copies of which had been circulated) by the SDP Manager recalling that the Committee had previously considered a report put forward by Scottish Borders Council on the potential future options for SESplan. The Committee had noted the recommendations in that report and had agreed that a report be brought to the Committee on the SESplan Operational Review.

The Joint Committee was informed that, following discussions with the SESplan Project Board, the scope of the Review had been agreed and areas of potential cost reduction and areas of potential process

improvement had been identified.

In relation to cost reductions, it was proposed that a target for a 5% reduction in the SESplan Operating Budget was put in place from financial year 2014/2015 onwards. It was anticipated that savings on accommodation, administration and IT would contribute to meeting this target.

The Review had also considered improvements in five areas, and these were:-

- i. Reduction in the Number of Meetings
- ii. Roles and Responsibilities
- iii. SESplan Service Plan
- iv. Ratification
- v. Governance

Details of the proposed improvements were outlined in the report.

The SDP Manager recommended that the SESplan Joint Committee:

1. Agrees to undertake the SESplan Operational Review on an annual basis in order to strengthen internal financial scrutiny, accountability and governance; and
2. Notes the proposed aim for a 5% reduction in the SESplan Operating Budget from financial year 2014/2015 onwards (also outlined in recommendation 3 of the Finance Report to be considered later in the Agenda), with regular reports on progress brought to the Joint Committee for consideration.

Decision

To approve the recommendations by the SDP Manager as set out in the report.

6. FINANCE

The Joint Committee considered a report (copies of which had been circulated) by the SDP Manager presenting (i) the audited accounts for 2012/2013; and (ii) the 2014/2015 Operating Budget.

The Committee was informed that Audit Scotland in the Annual Audit 2012/2013 had given an unqualified opinion on the financial statements of SESplan for 2012/2013.

The report provided a copy of the audited accounts at Appendix A and a copy of the 2014/2015 Operating Budget was attached as Appendix B.

The report by the SDP Manager provided a summary of the Operating Budget for 2014/2015. The report also set out a proposal for a 5% target for a reduction in the SESplan Operating Budget, equating to an overall saving of around £17,000 or £2,800 per Member Authority. It was anticipated that such savings could be made in accommodation, administration and IT costs.

It was recommended that the SESplan Joint Committee:-

1. Notes the 2012/2013 Audited Accounts as set out in Appendix A;
2. Approves the 2014/2015 Operating Budget as set out in Appendix B;
3. Agrees that member contributions for financial year 2014/2015 be set at £49,000 (excluding VAT) per authority, payable to Fife Council by 30 April 2014;
4. Agrees to set a target for a 5% reduction in the SESplan Operating Budget from financial year 2014/2015 onwards, with regular reports on progress brought to the Joint Committee for consideration;
5. Notes the 12 Month Out Turn for 2013/2014 set out in Appendix B; and
6. Notes that member authorities would be required to ratify the 2014/2015 Operating Budget, the approval at Recommendation 2 of the report, and to make their required contributions by the due date.

Decision

To approve the recommendations by the SDP Manager as set out in the report.

7. ANNUAL AUDIT

The Joint Committee considered a report (copies of which had been circulated by the SDP Manager setting out the key findings from the independent 2012/13 SESplan Audit. A copy of the report was attached as Appendix 1 to the report.

The Committee was informed that the Audit findings outlined that overall the stewardship of SESplan was satisfactory, as were arrangements for the prevention and detection of fraud. SESplan's use of Fife Council's corporate financial systems was also operating satisfactorily.

The Audit Report provided an Action Plan identifying potential risks that might arise and appropriate actions to be taken to manage the risk. Actions were being taken to mitigate two of the risks. In relation to the third

risk, which concerned Service Legal Agreements for support services provided by member authorities, the SESplan Project Board had decided that SLA's were not a priority due to the resources needed to implement them.

It was recommended that the SESplan Joint Committee note the content of the Annual Audit Report 2012/13.

Decision

To note the terms of the report and the Annual Audit Report 2012/13.

8. APPOINTMENT OF CONVENER AND VICE CONVENER FOR 2014

The Joint Committee considered a report (copies of which had been circulated by the SDP Manager setting out a proposal for the appointment of the Convener and Vice Convener of the SESplan Joint Committee over the two year period from 1 January 2014 to 31 December 2015 for agreement.

The Committee noted that the Convener for 2014-2015 would be the City of Edinburgh with Scottish Borders taking office as Vice Convener. The full rotation of Joint Committee Convener and Vice Convener over the period to 2019 was set out in Appendix 1.

In presenting his report, the SDP Manager reported a change to the recommendation within the report, advising that it was now proposed that Councillor Stuart Bell be appointed as Vice Convener instead of Councillor R Smith. The Joint Committee was asked to agree the appointment of Councillor Ian Perry as Convener, and Councillor Stuart Bell as Vice Convener.

Decision

1. To agree the appointment of Councillor Ian Perry as Convener and Councillor Stuart Bell as Vice Convener of the SESplan Joint Committee for the two year period from 1 January 2014 to 31 December 2015.
2. To note that a paper would be brought to the next meeting of the Joint Committee dealing with amendments to the governance arrangements.

9. CHAIR'S CLOSING REMARKS

In closing the meeting, the Chair recorded the Committee's appreciation of the work undertaken by the member authorities, council officers and Val

Johnston (Committee Clerk).